

Annex

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1973-1974 Session
Report of Proceedings
from 3 to 6 July 1973
Europe House, Strasbourg

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

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IN THE CHAIR: MR BERKHOUWER

President

(The sitting was opened at 9.35 a.m.)

President. — The sitting is open.

1. Resumption of session

President. — I declare resumed the session of the European Parliament adjourned on 7 June 1973.

2. Apology for absence

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

3. Appointment of Members

President. — By letter of 4 June 1973 the Presidents of the First and Second Chambers of the States-General of the Kingdom of the Netherlands informed me that they had appointed the following as members of the Netherlands delegation:

Mr Van der Hek, Mr Laban, Mr Notenboom, Mr Patijn, Mr Van der Sanden and Mr Wiel-draaijer.

By letters of 24 May and 1 June 1973 the Irish House of Representatives and Senate informed me that they had appointed the following as members of the Irish delegation:

Mr Creed, Mr Kavanagh and Mr Thornley..

At its meeting of 7 June 1973, pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau

satisfied itself that these appointments complied with the provisions of the Treaties.

It therefore asks the House to ratify these appointments.

Are there any objections?

These appointments are ratified.

By letter of 13 June 1973 the National Assembly of the French Republic informed me that it had renewed its delegation.

The following were appointed:

Mr Ansart, Mr Bordu, Mr Bourdellès, Mr Bourges, Mr de Broglie, Mr Cousté, Mr Durieux, Mr Faure, Mr Hunault, Mr Jarrot, Mr Kaspe-reit, Mr Lagorce, Mr Laudrin, Mr Leenhardt, Mr Lemoine, Mr Liogier, Mr de la Malène, Mr Muller, Mr Pianta, Mr Rivierez, Mr Rossi, Mr Spénale, Mr Terrenoire and Mr Valls.

By letter of 13 June 1973 the Senate of the Kingdom of Belgium appointed Mr Verhaegen member of the Belgian delegation to the European Parliament.

At its meeting of 25 June 1973, pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau satisfied itself that these appointments complied with the provisions of the Treaties. It therefore asks the House to ratify these appointments.

Are there any objections?

These appointments are ratified.

By letter of 25 June the Presidents of the First and Second Chamber of the States-General of the Kingdom of the Netherlands appointed Mr Scholten member of the Netherlands delegation to the European Parliament.

This Member's credentials will be verified after the Bureau's next meeting, on the understand-

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ing that, under Rule 3 (3) of the Rules of Procedure, he will provisionally take his seat with the same rights as other Members of Parliament.

I congratulate colleagues whose appointments have been renewed and welcome the new Members.

4. Election of a Vice-President

President. — I have received from the Group of European Progressive Democrats the nomination of Mr Cousté to fill the Vice-President's seat which has become vacant as a result of the departure of Mr Ribière.

I propose that Parliament proceed with this election immediately.

Are there any objections?

That is agreed.

I have no other nominations.

I therefore propose that Mr Cousté be elected by acclamation.

(Applause)

I accordingly declare Mr Cousté Vice-President of the European Parliament and congratulate him warmly on his election.

(Applause)

5. Membership of committees

President. — I have received from the Christian-Democratic Group a request for the following appointments:

- Mr Notenboom to the Committee on Economic and Monetary Affairs
- Mr Van der Sanden to the Political Affairs Committee and the Committee on Energy, Research and Technology.

I have received from the Group of European Progressive Democrats a request for the following appointments:

- *Political Affairs Committee:*
Mr Boursch and Mr McElgunn
- *Legal Affairs Committee:*
Mr Rivierez and Mr McElgunn
- *Committee on Budgets:*
Mr Terrenoire and Mr Laudrin
- *Committee on Social Affairs and Employment:*

Mr Terrenoire and Mr Yeats replacing Mr Liogier

- *Committee on Public Health and the Environment:*
Mr Duval and Mr Kaspereit
- *Committee on Energy, Research and Technology:*
Mr Hilliard
- *Committee on Cultural Affairs and Youth:*
Mr Liogier and Mr Herbert
- *Committee on External Economic Relations:*
Mr Kaspereit and Mr Hilliard
- *Committee on Development and Cooperation:*
Mr Rivierez, Mr Kaspereit and Mr Nolan
- *Parliamentary Conference of the EEC-AASM Association:*
Mr Rivierez, Mr Nolan, Mr Kaspereit, Mr Duval and Mr Yeats, replacing Mr Cousté.

Are there any objections?

These appointments are ratified.

6. Texts of Treaties forwarded by the Council

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

- Act of Notification of the Conclusion by the European Economic Community of Several Agreements with the Republic of Cyprus;
- Minutes concerning the Notifications of the Completion of the Procedures necessary for the Entry into Force of Several Agreements between the European Economic Community and the Republic of Cyprus;
- Protocol laying down Certain Provisions relating to the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus consequent on the Accession of new Member States to the European Economic Community;
- Minutes concerning the Notifications of the Completion of the Procedures necessary for the Entry into Force of the Association Agreement concerning the Accession of Mauritius to the Convention of Association between the European Economic Community and the African and Malagasy States.

The documents will be placed in Parliament's records.

7. Authorization of reports

President. — By letter of 26 June 1973 I authorized the Political Affairs Committee to draw up a report on cooperation and contacts between the European Parliament and the Parliament of Cyprus.

The Committee on External Economic Relations was requested to deliver an opinion.

By letter of 20 June 1973, I authorized the Committee on Economic and Monetary Affairs, at its own request, to draw up a report on European competition policy.

8. Forwarding of Draft Amendatory and Supplementary Budget No 3 for 1973

President. — I have received from the Council of the European Communities Draft Amendatory and Supplementary Budget No 3 for 1973. This budget has been distributed as Doc. 134/73 and, pursuant to Rule 23 (2) of the Rules of Procedure, referred to the Committee on Budgets.

9. Documents received

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

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

— the proposal from the Commission of the European Communities to the Council for a directive on the approximation of the laws of the Member States relating to cold-water meters (Doc. 100/73).

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

— the proposal from the Commission of the European Communities to the Council for a directive on the approximation of the laws of the Member States relating to continuous totalizing weighing machines (Doc. 101/73).

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

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

- I. a directive modifying the Directive of 14 June 1966 concerning the marketing of beet seed, of seed of fodder plants, of cereal seed and of seed potatoes, the

Directive of 30 June 1969 concerning the marketing of seed of oil and fibre plants and the Directive of 29 September 1970 concerning the marketing of vegetable seed and the common catalogue of varieties of species of agricultural plants

- II. a directive modifying the Directive of 9 April 1968 concerning the marketing of vegetative propagation material of the vine

- III. a second directive amending the Council Directive of 14 June 1966 on the marketing of forest reproductive material

(Doc. 111/73)

This document has been referred to the Committee on Agriculture.

— the communication from the Commission of the European Communities to the Council on action to be taken pursuant to Item 16 of The Hague Communiqué:

— recommendation for a Council decision on the creation of a 'Committee on Youth Affairs'

— recommendation for a Council decision on the creation of a 'Consultative Committee on Youth' (Doc. 112/73).

This document has been referred to the Committee on Cultural Affairs and Youth 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 directive on the approximation of Member States' legislation on the interior fittings of motor vehicles (strenght and anchorage of seats) — (Doc. 113/73).

This document has been referred to the Committee on Public Health and the Environment as the committee responsible and to the Committee on Regional Policy and Transport for its opinion;

— the proposal from the Commission of the European Communities to the Council for a directive making a ninth amendment to the directive on the approximation of Member States' legislation on preservatives whose use is permitted in foodstuffs for human consumption (Doc. 114/73).

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

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- the transfer of funds from one chapter to another within Section III — Commission — of the budget for the financial year 1973 (Doc. 117/73).

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 determining for the 1973/1974 marketing year the principal marketing centres for cereals and the derived intervention prices applicable at these centres and the single intervention prices for maize, for durum wheat and for rye (Doc. 123/73).

This document has been referred to the Committee on Agriculture;

- the communication from the Commission of the European Communities to the Council on the strengthening of the budgetary powers of the European Parliament (Doc. 124/73).

This document has been referred to the Committee on Budgets and the Political Affairs Committee and would be dealt with by the procedure laid down by the European Parliament on a proposal from the enlarged Bureau;

- the proposal from the Commission of the European Communities to the Council for a Council Directive amending and supplementing certain Directives following the enlargement of the Community (Doc. 128/73).

This document has been referred to the Committee on Agriculture;

- the proposal from the Commission of the European Communities to the Council for a Council regulation (EEC) extending for the second time Regulation (EEC) No 2313/71 and 2823/71 on the temporary and partial suspension of duties of the Common Customs Tariff on wines originating in and coming from Algeria, Morocco, Tunisia and Turkey (Doc. 129/73).

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

- the proposal from the Commission of the European Communities to the Council for a transfer of appropriations to the 'Statement of Expenditure on Research and Investment' for the financial year 1973 (Annex I to Section III (Commission) of the Budget of the European Communities) — (Doc. 130/73).

This document has been referred to the Committee on Budgets;

- (b) from the Commission of the European Communities:

- the first financial report concerning the European Agricultural Guidance and Guarantee Fund for 1971, submitted by the Commission of the European Communities to the Council and the European Parliament (Doc. 102/73).

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

- a communication from the Commission of the European Communities on practical measures to strengthen the powers of control of the Parliament and to improve relations between the Parliament and the Commission (Doc. 103/73).

This document has been referred to the Political Affairs Committee and the Committee on Budgets;

- a communication from the Commission of the European Communities on the application of the principles for coordinating regional aid arrangements in 1972 (Doc. 122/73).

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

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

- Report drawn up by Mr Isidor Fruh on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No 1009/67/EEC on the common organization of the market in sugar (Doc. 104/73);

- Report drawn up by Mr Maurice Dewulf 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 totally suspending Common Customs Tariff duties, charges having equivalent effect and agricultural levies applicable to goods imported as gifts from third countries for distribution free of charge to disaster victims (Doc. 105/73);

- Report drawn up by Mr Edgar Jahn on behalf of the Committee on Public Health

President

- and the Environment on the proposals from the Commission of the European Communities to the Council regarding the Community environmental action programme and the measures planned in this field (Doc. 106/73);
- Report drawn up by Sir Brandon Rhys-Williams on behalf of the Committee on Economic and Monetary Affairs on the communication from the Commission of the European Communities to the Council (Doc. 68/73) on the progress achieved in the first stage of economic and monetary union, on the allocation of powers and responsibilities among the Community institutions and the Member States essential to the proper functioning of economic and monetary union, and on the measures to be taken in the second stage of economic and monetary union (Doc. 107/73);
 - Report drawn up by Mr Karl-Heinz Walkhoff on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive relating to the approximation of legislations of the Member States concerning bread (Doc. 108/73);
 - Report drawn up by Mr James Scott-Hopkins on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation on aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund in 1973 (Doc. 109/73);
 - Report drawn up by Miss Astrid Lulling on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a directive modifying the Directives of 14 June 1966 concerning the marketing of beet seed, of seed of fodder plants, of cereal seed and of seed potatoes, the Directive of 30 June 1969 concerning the marketing of seed of oil and fibre plants and the Directives of 29 September 1970 concerning the marketing of vegetable seed and the common catalogue of varieties of species of agricultural plants (Doc. 115/73);
 - Report drawn up by Mr Charles-Emile Héger on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. ???/73) for a regulation determining for the 1973/1974 marketing year the principal marketing centres for cereals and the derived intervention prices applicable at these centres and the single intervention price for maize, for durum wheat and for rye (Doc. 116/73);
 - Report drawn up by Mr Christian de la Malène on behalf of the Committee on External Economic Relations on the Community's approach to the coming multilateral negotiations in GATT (Doc. 118/73);
 - Report drawn up by Mr Ludwig Fellermaier on behalf of the Political Affairs Committee on the motion for a resolution tabled by Mr Lücker on behalf of the Christian-Democratic Group, Mr Kirk on behalf of the European Conservative Group and Mr Achenbach on behalf of the Liberal and Allies Group on the visit of the President of the United States of America to Europe (Doc. 119/73);
 - Interim Report drawn up by Mr Fernand Delmotte on behalf of the Committee on Regional Policy and Transport on regional policy in the Community (Doc. 120/73);
 - Report drawn up by Mr Jan de Koning on behalf of the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council for
 - I. a regulation opening, allocating and providing for the administration of the Community tariff quota for 3,000 live heifers and cows of certain mountain breeds falling within heading ex 01.02 A II b 2) of the Common Customs Tariff
 - II. a regulation opening, allocating and providing for the administration of the Community tariff quota for 5,000 live bulls, cows and heifers of certain mountain breeds falling within heading ex 01.02 A II b 2) of the Common Customs Tariff (Doc. 121/73)
 - Report drawn up by Sir Tufton Beamish on behalf of the Committee on External Economic Relations on the recommendations of the Joint Committee of the Association with Turkey on the Eighth Annual Report of the EEC-Turkey Association Council adopted in Luxembourg on 14 May 1973 (Doc. 125/73);
 - Report drawn up by Mr Peter Kirk on behalf of the Political Affairs Committee on cooperation and contacts between the European Parliament and the Parliament of Cyprus (Doc. 126/73);
 - Report drawn up by Mr James Hill on behalf of the Committee on Regional Policy and

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Transport on the proposal from the Commission of the European Communities to the Council for a directive amending the first Council Directive on the establishment of certain common rules for international transport (carriage of goods for hire or reward) (Doc. 127/73);

- Interim Report drawn up by Mr Georges Spénale on behalf of the Committee on Budgets on the proposals from the Commission of the European Communities to the Council on the strengthening of the budgetary powers of the European Parliament (Doc. 131/73);
- Interim Report drawn up by Mr Heinrich Aigner on behalf of the Committee on Budgets on the draft statement of accounts of the European Parliament for the financial year 1972 (1 January — 31 December 1972) — (Doc. 132/73);
- Report drawn up by Mr Georges Spénale on behalf of the Committee on Budgets on the proposal for a transfer of appropriations to the 'Statement of Expenditure on Research and Investment' for the financial year 1973 (Annex I to Section III (Commission) of the Budget of the European Communities (Doc. 133/73);
- (d) motion for a resolution tabled by Mr Springorum on behalf of the Committee on Energy, Research and Technology on the outcome of the meeting of the Council of the European Communities on 22 May 1973 on energy problems (Doc. 110/73).

10. Allocation of speaking time

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

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

Are there any objections?

That is agreed.

11. Decision on urgent procedure

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

Are there any objections?

The adoption of urgent procedure is agreed.

12. Order of business

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

At its meeting of 25 June 1973 the enlarged Bureau prepared a draft agenda, which has been distributed, but in view of subsequent developments I propose that Parliament adopt the following order of business:

Tuesday, 3 July 1973

until 1 p.m. and from 3 p.m. to 7 p.m.:

- Question Time;
- Oral Question No 48/73, with debate, by the Political Affairs Committee on the Final Communiqué issued at the Paris Summit Conference;
- Oral Question No 47/73, with debate, by Sir John Peel on the movement towards European Union;
- Report by Mr Spénale on a transfer of appropriations;

(The report by Mr Offroy on the transfer of credit within Section II has been deleted from the agenda.)

- Interim report by Mr Aigner on the statement of accounts of Parliament for 1972;
- Motion for a resolution tabled by Mr Springorum on the outcome of the Council meeting of 22 May 1973;
- Report by Mr Jahn on the Community environmental action programme

— 3 p.m.

— Statement by Mr Scarascia Mugnozza, on behalf of the Commission of the European Communities, on action taken by the Commission pursuant to the texts adopted by Parliament at its part-session of June 1973.

I call Mr Houdet, chairman of the Committee on Agriculture.

Mr Houdet. — (CF) Mr President, at its last meeting, the Committee on Agriculture was notified by Mr Lardinois himself that he would not be able to be present today.

Now, among the questions scheduled for Question Time there are five which concern very important agricultural problems. The Committee on Agriculture, like Mr Lardinois himself, would have liked the Commissioner responsible to be able to reply to these questions.

Houdet

I therefore respectfully request, Mr President, that the five questions to the Commission on agricultural problems be deferred until next Thursday.

I would add that, in the draft order of business which we shall be considering presently, the reports by Miss Lulling and Mr Héger are to be submitted to you without debate, so that, by accepting this modification, you would already be lightening the items on next Thursday's agenda by two agricultural reports, which could be replaced by the five questions I have mentioned to you.

President. — I am faced with a situation for which there is no provision in the Rules of Procedure. The Rules assume that the Commission is always present and always answers. They also provide that the questioner himself should be present. If he is not, his question must be answered in writing. We now have a situation where a question submitted under the provisions for Question Time cannot be answered by the Commission.

Mr Dewulf. — (NL) Mr President, the Commission is a collegiate body. As long as one Member of the Commission can answer, there is no problem.

President. — That is what I said. However, if the Commission is not in a position to answer when it comes to Question Time, I shall have no option but to withhold the question.

Mr Dewulf. — (NL) The Commission must answer.

President. — We shall see whether it does.

The order of business continues as follows:

Wednesday, 4 July 1973

until 10 a.m.:

— meetings of political groups

10 a.m. to 1 p.m., 3 p.m. to 7 p.m., and possibly 9 p.m.:

- Report by Sir Tufton Beamish on recommendations on the Eighth Annual Report of the EEC-Turkey Association;
- Report by Mr Kirk on cooperation and contacts between the European Parliament and the Parliament of Cyprus;
- Report by Mr de la Malène on the Community's approach to the forthcoming GATT negotiations;

— Report by Mr Fellermaier on the motion for a resolution on President Nixon's visit to Europe;

— Interim report by Mr Spénale on the strengthening of the budgetary powers of the European Parliament;

— Report by Sir Brandon Rhys Williams on economic and monetary union;

Thursday, 5 July 1973

until 10 a.m.:

— meetings of political groups

10 a.m. to 1 p.m. and 3 p.m. to 7 p.m.:

— Vote on the motion for a resolution contained in the report drawn up by Mr Spénale on the transfer of appropriations;

— Report drawn up by Mr Spénale on the drought in the Sahelian region;

— Interim report drawn up by Mr Delmotte on regional problems in the Community;

— Report drawn up by Mr Scott-Hopkins on aid from the EAGGF in 1973;

— Vote without debate on the motion for a resolution contained in the report drawn up by Miss Lulling on sowing seed and seed potatoes;

— Report drawn up by Mr Fruh on the sugar market;

— Vote without debate on the motion for a resolution contained in the report drawn up by Mr Heger on the intervention prices for cereals;

— Oral Question No 60/73, with debate, by Mr Frehsee on agricultural surpluses in the Community;

Friday, 6 July 1973

until 10 a.m.:

— meetings of political groups

10 a.m. to 12 noon:

— possibly, continuation of Thursday's agenda;

— Vote without debate on the motion for a resolution contained in the report by Mr Dewulf on the suspension of duties applicable to goods intended for disaster victims;

— Report by Mrs Orth on the approximation of legislation on cosmetic products;

President

- Report by Mr Ballardini on participation in the work of UNO organizations;
- possibly, report by Mr Brégégère on the harmonization of legislation on natural yeasts and yeast residues;
- possibly, report by Mr Bro on pressure vessels and seamless steel gas cylinders.

I call Lord Reay.

Lord Reay. — On a point of order. You will be aware that the selected texts provide that Question Time should not last for more than one hour, although we have not always adhered to this procedure in the past.

Is it your intention on this occasion to end the Question Time after one hour regardless of where we have got to on the list of questions, or do you intend to let it run until all questions have been answered?

President. — I shall endeavour to call all the questions during the time allotted for Question Time. I would therefore request honourable Members and the Commission representatives to be as brief as possible.

I also hope we shall not be having a debate immediately after Question Time.

Are there any more comments on the order of business?

The agenda is adopted.

13. *Statement by the President-in-Office
of the Council*

President. — I call Mr Nørgaard.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) Mr President, ladies and gentlemen. I should like to say, before I proceed to answer the first question, how pleased I am to commence my official duties as President of the Council — duties which I only took up two days ago — by addressing the European Parliament. I firmly believe that it is for our common good that we should make every effort to develop and improve relations between our two institutions.

In the coming months we shall all be extremely busy with the implementation of the programme adopted at the meeting between Heads of State and Governments in Paris on 19-20 October 1972.

The principal tasks arising from this programme will be to reach the important decision about moving on to the second stage of economic and

monetary union, to establish a fund for regional development and agree on action programmes for the labour market and the social question, together with industrial and environmental policy.

We shall also take important steps with regard to Community relations with third countries. This principally concerns the forthcoming customs and trade negotiations, negotiations with a number of developing countries and fisheries policy.

Last, but not least, the Council will, in the coming months, endeavour to lay down conditions for our mutual relations. At the moment, the Council is considering how and by what means relations with the European Parliament can be strengthened in accordance with paragraph 15 of the declaration of the Summit Conference, and I hope we shall be able to submit the results of this discussion to the European Parliament in the very near future.

Moreover, the Council has consulted Parliament on the Commission's proposal for the extension of Parliament's budgetary powers. As soon as the Council has heard Parliament's opinion it will begin to deal with this important matter.

For my part, Mr President, I can assure you that I intend to follow the work of the European Parliament as closely as possible, and I hope we can maintain an effective and fruitful dialogue.

14. *Question Time*

President. — The next item is Question Time.

I call Oral Question No 54/73 by Sir Tufton Beamish to the Council of the European Communities on the trade agreement with Rumania:

What consideration is being given to the negotiation of a trade agreement with Rumania involving generalized preferences; what is the attitude of the Rumanian Government; and what advice has been received from the Commission?

I call Mr Nørgaard to answer the question.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) By letter of 31 January 1972 the Rumanian government requested that Rumania be admitted to the group of countries which benefit from the Community's system of generalized preferences. The Commission declared, in a communication of 8 May 1972, that it was in favour of Rumania's admission, under certain more specific conditions, to the list of countries benefitting from the generalized preferences granted by the Community.

Nørgaard

At its 245th sitting on 4 June 1973, the Council decided in principle to admit Rumania from 1 January 1974 to the list of countries benefitting from the generalized preferences granted by the Community, provided that suitable more precise conditions be laid down, taking into account this country's special position.

The actual decision, like all other decisions made in this area, will be an autonomous and unilateral decision, and will be made by the Council on the basis of the proposal submitted by the Commission after the contacts with the Rumanian authorities which they consider necessary.

President. — I call Sir Tufton Beamish to put a supplementary question.

Sir Tufton Beamish. — As it has fallen to me to put the first question to the new President-in-Office, may I congratulate him on his appointment and wish him great success in his highly important work at this very critical time, sentiments which I am sure the entire Parliament will share.

Having done this, may I ask him why the Council of Ministers delayed for many months after Rumania asked for a bilateral trade agreement, thus appearing to be half-hearted, and whether he can give a firm assurance that other countries in eastern and central Europe can expect quicker and more sympathetic treatment should they wish to enter into bilateral trading arrangements involving generalized preferences within the Community?

President. — I call Mr Nørgaard.

Mr Nørgaard. — I thank you very much for your kind congratulations. As an excuse for the long time which the matter has taken, may I say, that this is a question which should be considered very carefully. We started the discussion from many angles and many different opinions were expressed about how the matter should be concerned with the problems, not only of Eastern European countries, but of other countries.

While every case obviously will have to be considered on its merits if and when any application is made, I should expect that the Council would look sympathetically at any case which they considered appropriate.

President. — I call Sir Douglas Dodds-Parker.

Sir Douglas Dodds-Parker. — May I add my congratulations to the Minister. I hope that he

will not find these appearances too trying. I confirm that the date for the completion of the negotiations is January 1974. Will this allow time for the Commission to discuss with Parliament's Committee on External Economic Relations?

President. — I call Mr Nørgaard.

Mr Nørgaard. — We expect that the matter will be ended before 1st January 1974. But that is only for Rumania. There are no rules for discussions or negotiations with other countries.

President. — I call Lord St. Oswald.

Lord St. Oswald. — I add my congratulations to the Minister to those of my colleagues.

Will the Council of Ministers keep constantly and hopefully in mind the often expressed wish of this Parliament that those countries in Europe at present denied self-determination, when the day comes that they are free and willing to join, will be made welcome as full Members, once eligibility has been achieved, which is at present lacking through no fault of the peoples themselves?

President. — I call Mr Nørgaard.

Mr Nørgaard. — I do not think that I can give any answer other than that I have noted what you have said.

President. — I call Mr Van der Hek.

Mr Van der Hek. — (NL) Mr President, I would like to put the following question. Am I to conclude from the remark by the President-in-Office of the Council that the admission of Rumania to the generalized preference system would create a precedent for other East European countries?

President. — I call Mr Nørgaard.

Mr Nørgaard. — As I said earlier, when appropriate, yes.

President. — I call Mr Radoux.

Mr Radoux. — (F) Mr President, not only do I congratulate the President-in-Office of the Council for being with us today and for the functions he fulfils, but I also thank him for the manner in which he replies to these questions.

Radoux

I was unaware, in fact, that Question Time provided an opportunity to raise questions of such importance that it could truly be considered a forum; indeed, the whole problem of East-West relations is what we are discussing right now.

President. — I call Mr Fellermaier. Would he please put a specific question as the last in this series?

Mr Fellermaier. — (D) Would the President of the Council confirm that in considering the question of granting generalized preferences the Council will be guided exclusively by the UNCTAD resolution?

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) I did not exactly understand the question, but of course it will be the objective circumstances which will determine the Council's decisions, and the considerations will presumably be objective considerations.

President. — I call Oral Question No 59/73 by Mr John Hill to the Council of the European Communities on the International Conference on the Law of the Sea in Santiago:

Will the Council adopt a common negotiating position on behalf of the Member States at the International Conference on the law of the sea to be held in Santiago?

I call Mr Nørgaard to answer the question.

Mr Nørgaard. — (DK) The Community has given attention to the coordination of the attitudes of Member States with regard to the preparations for the coming United Nations conference on the law of the Sea. Back in 1972 it had organized this coordination with a view to the meeting of the Seabed Committee, which opened a few days later in New York and in which the applicant countries were invited to join in anticipation of their accession. This coordination has since been regularly continued, mainly in the areas of fisheries and territorial waters.

On the other hand, amongst those subjects examined by the Committee, and which, furthermore, will be examined by the conference, there are certain matters which, since they fall more directly within the area of competence of the Member States, will also be the object of continued coordination between Member States.

Moreover, it is noticeable that, so long as the conference has not been officially opened,

several of the States represented on the Seabed Committee seem not to have taken any official and definitive position, but are apparently sitting on the fence.

Be that as it may, the Community is following the problem closely to ensure that Community interests are furthered under the best possible conditions.

President. — I call Mr John Hill to put a supplementary question.

Mr John Hill. — I thank the President of the Council for that helpful answer. I think he will realize that we are grateful to know that such coordination is taking place. Although we recognize that Member States may have different interests, are there not several issues where it may be hoped that the Member States of the Community can concert their views and so gather strength at the conference? In particular, is it not vitally important to mankind as a whole as well as to the EEC countries that the countries taking part at the Santiago conference should agree upon an effective procedure for management to avoid over-exploitation of the new resources of energy discovered in the sea as well as the old ones, such as fish stocks? Is it not to be hoped that they should also agree on a common jurisdiction to settle such disputes as may arise?

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) Personally, I share the hope that the countries of the Community can reach a common stand on this question. However, I do know that there are on the other hand a great many difficulties involved in reaching such a common stand. In the meantime I can add that the Commission is at this moment working on a draft for a new common position on the North Atlantic fisheries question, to be dealt with in the Council. It is not as yet complete, and it is difficult to achieve a common attitude. I hope, however, that this common attitude will be reached.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — At what stage does the President of the Council of Ministers expect to come to and discuss the negotiating position, or the results, with this Parliament?

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) At present no formal question has been put which might occasion a debate or consultation with Parliament.

President. — I call Oral Question No 61/73 by Mr Vals to the Council of the European Communities on the mandate for the negotiation of agreements with Mediterranean countries:

What are the terms and the extent of the mandate being given by the Council to the Commission to negotiate general agreements with the Mediterranean countries, with particular reference to the wine industry?

I call Mr Nørgaard to answer the question.

Mr Nørgaard. — (DK) At its last meeting the Council approved the directives to the Commission relating to negotiations with countries in the Mediterranean Basin. Depending on the country concerned, these directives cover various sectors such as industry, agriculture, labour, cooperation and general and institutional provisions.

I am sure that the honourable Member will understand that the Council cannot officially make known the content and range of the directives it gives the Commission with a view to negotiations.

President. — I call Mr Vals to put a supplementary question.

Mr Vals. — (F) I am not asking the Council to reveal the instructions it has given to the Commission on the conduct of negotiations, but I am asking it if it intends to ensure compliance—contrary to the wish expressed by the Commission—with the Community preference system which is the very basis of the Treaty of Rome, and, more particularly in the case of wine, with the reference price for third countries, whether these be in the Mediterranean Basin or elsewhere.

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) As I said, I cannot go into details of the negotiating mandate which the Commission has been given.

President. — I call Mr Cousté.

Mr Cousté. — (F) Mr President, I quite understand the Council's reply, but since the Commission has been authorized to negotiate an overall policy with the Mediterranean countries, could it not at least specify how long this is likely to take? Are these to be very lengthy negotiations or, on the contrary, do they fall within the framework of a mission, the exact nature of which, naturally enough, is not known to us, but which is likely to end—as I believe is planned—at the end of the year?

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) It is the hope of the Council and the Commission that the negotiations will be completed by the end of this year.

President. — I call Oral Question No 67/73 by Mr Thomsen to the Council of the European Communities on the right of establishment in Denmark:

Does the Council consider the Act (Bill No 146) passed by the Folketing on 29 May 1973 to amend the law on agricultural property and the law covering, *inter alia*, the division and consolidation of land to be in keeping with the concepts on which the Communities are founded and with the policy the Council wishes to promote both in the agricultural sphere and as regards the right of establishment?

I call Mr Nørgaard to answer the question.

Mr Nørgaard. — (DK) On the question of individual Member States' legislation concerning establishment in this instance in the agricultural sector, and the relationship between this legislation and Community regulations, I should like to point out that, according to Article 155 of the EEC Treaty, it is not the Council's, but the Commission's task to ensure the application of the Act of Accession and the measures taken pursuant thereto. It will therefore also be the Commission which should answer questions of this nature when they arise.

In my capacity as President of the Council, I can announce that, as far as establishment in the agricultural sector is concerned, since 1963 the Council has adopted several specific directives on the freedom of nationals from one Member State to establish themselves in the sector in question in another member country on the same footing as nationals of that country. For example, establishment on derelict farms, establishment for agricultural labourers and tenancy agreements. The application of these decisions in the new Member States is dealt with in Article 152 of the Act of Accession, according to which, in Denmark's case, application is deferred until 1 January 1978.

I can also state that the Commission has laid before the Council a proposal for a directive on the full realization of the right of establishment in the agricultural sector. This proposal is at present being examined by the Council. In my capacity as Danish Minister for External Economic Affairs, I can add that the Danish Government, in its elaboration of the amendments to which Mr Thomsen's question refers, has to a large extent taken into account the prevailing and proposed Community arrangements concerning agriculture. The legislation

Nørgaard

in question lays down general principles. It is fully applicable for Danes as well as for foreigners and poses no problems with regard to Community regulations already in force or proposed concerning the right of establishment in agriculture.

President. — I call Mr Thomsen to put a supplementary question.

Mr Thomsen. — (DK) Mr President, I am sure you will also allow me, as a Dane, to welcome the new President of the Council to his high office. The new President is particularly familiar with Danish affairs, and I know he has a deep insight into and a profound knowledge of the latter. It is also clear that the answer I have received holds nothing new for me, since I, too, am familiar with Danish affairs, but it does indirectly make a new point—that the Council has no policy whatever on the sector affected in this case by Danish legislation.

I should therefore like to ask a further question to elaborate on this. When the Danish Government has passed a law, which naturally affects all citizens in the Community, and which assumes that a condition laid down for the acquisition of a Danish farm by a citizen of the Community be that he take up residence on that farm and that it provide his main source of income, then this very legislation necessitates the introduction of a large national administration, an administration which by its nature can hardly avoid becoming discriminatory or, in any case, avoid being suspected of becoming discriminatory—and in the end progress is stopped by this legislation.

I therefore ask whether the Council is clear about the effects this legislation may have, and whether the Council considers that the Danish step, the Danish legislative initiative, facilitates the Council's task of working toward a complete liberalization of establishment, or whether it should not rather be considered a step in the opposite direction?

President. — I call Mr Nørgaard.

Mr Nørgaard. — (DK) As Mr Thomsen himself pointed out, this is not a matter which has been discussed in the Council with reference to these particular aspects, and I cannot therefore give details of the Council's opinions. But it also appears to me that Mr Thomsen's question is limited to the national level, since the question as to whether the Danish administration will be affected or not may well be a question of how the Danes themselves build up the administration. As a Danish minister, I can promise

Mr Thomsen that we shall do everything in our power to make it as effective as possible, so that there will of course be no question of actual discrimination.

President. — I call Oral Question No 55/73 by Lord O'Hagan to the Commission of the European Communities on the participation of the European Parliament in the development of the Commission's social action programme:

Will the Commission respond favourably should the Committee on Social Affairs and Employment request participation in sub-Committees of the parent Committee, set up to study and prepare practical proposals on particular aspects of the Commission's 'Guidelines for a Social Action Programme'?

I call Mr Thomsen to answer the question in place of Dr Hillery.

Mr Thomson (*Member of the Commission of the European Communities*). — I have been asked to reply on behalf of the Commission. The answer to the noble lord is yes. The Commission would wish to respond favourably should Parliament's Committee on Social Affairs and Employment wish to make the kind of request envisaged in the noble lord's question.

President. — I call Lord O'Hagan to put a supplementary question.

Lord O'Hagan. — I thank the Commissioner for that reply. Does he not agree that it would be useful for Parliament's Committee on Social Affairs and Employment to send the Commission within the next few weeks a list of proposed subjects so that both institutions could get down to work soon while the tripartite conference appears to be in a little difficulty—a difficulty which we hope will be resolved?

President. — I call Mr Thomson.

Mr Thomson. — I am sure my colleague, Dr Hillery, would very much welcome the kind of initiative suggested by the noble lord.

The Commission does not take the view that the social conference originally called for June has now been postponed indefinitely. It hopes it may yet take place before too long a time has passed.

But equally the Commission is determined that, in the absence of the original timetable for the conference, the Community shall press forward with the social action programme which was commissioned by the summit meeting last October.

President. — I call Lady Elles.

Lady Elles. — Whilst I welcome the affirmative answer from the Commissioner to the noble lord's question and this further evidence of closer cooperation between the Commission and Members of the European Parliament, may Parliament be assured that in particular, since the postponed tripartite conference has not so far taken place, the subjects to be studied in the sub-committees will be based on recommendations from the Committee on Social Affairs and Employment and will carry on implementing the proposals and policies contained in the Treaty of Rome?

President. — I call Mr Thomson.

Mr Thomson. — Yes, I can give the noble lady that assurance.

President. — I call Miss Lulling.

Miss Lulling. — (*F*) Mr President, since the conference of the social partners was not able to meet, as a result of a dispute on representation, I should like to know if the Commission is possibly thinking of holding it with the representatives of employers and workers who are willing to attend?

President. — I call Mr Thomson.

Mr Thomson. — I believe the right position is that which has been taken by the Commission, that is, to regard the Conference as merely postponed and to look forward to its taking place a short time ahead.

President. — I call Oral Question No 56/73 by Sir Douglas Dodds-Parker to the Commission of the European Communities on the increase in sales of milk and dairy products:

What action is proposed to increase the sales of the milk and dairy products of the Community, in view of the increase in production likely to result from the recent increase in price?

I call the representative of the Commission to answer the question.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (*I*) Mr President, with regard to this question and to other questions for my colleague Mr Lardinois, I feel that a misunderstanding has arisen. According to my information from the Committee on Agriculture, my colleague Mr Lardinois had given notice that it would be impossible for him to take part in today's sitting of the

Parliament; the members putting the questions, who were present at the meeting, apparently told him that this would not cause any problems because, since they wanted a thorough and exhaustive technical reply on the matters in question, they themselves would be glad to have the discussion postponed to another day.

In these circumstances, which are clearly due to a misunderstanding, I am not in a position today to give any replies, because the relevant documents have not been forwarded to me.

President. — I note that the Commission is unable to answer.

I call Mr Broeksz on a point of order.

Mr Broeksz. — (*NL*) Mr President, I am surprised that, although every member of the Commission knows that there is a Question Time at which their presence is greatly desired, there are in fact so few Commissioners present. Your intention now, Mr President, is to postpone the replies to a number of questions until the part-session in September. If we continue in this way the Question Time will very soon become a failure.

I would request you to discuss this matter in the Bureau and to consider the relevant measures to be taken.

(*Applause*)

President. — I can assure Mr Broeksz that the absence of Members of the Commission will be discussed by the Bureau at its coming meeting in London.

Mr Lardinois is at present in London to open an agricultural show.

Mr Fellermaier. — (*D*) This is outrageous, Mr President. Is a show to take precedence over a sitting of this parliament?

President. — I call Sir Douglas Dodds-Parker.

Sir Douglas Dodds-Parker. — I have no objection for a moment, of course, to Mr Lardinois being where he is and I wish I were there myself at the Royal Show with Sir Christopher Soames.

However, Mr Thomson has just replied on behalf of Dr Hillery and, as Mr Dewulf said, the Commission is a college. Surely in this case, too, we could have had an answer from another Member of the Commission?

President. — I call Mr Scott-Hopkins.

Scott-Hopkins

Mr Scott-Hopkins. — This is a very strange situation. When the Vice-President of the Commission replied just now, he was not entirely accurate as to what had taken place in the Committee on Agriculture. We were requested there by Mr Lardinois if we would ask whether the questions could be answered by the Commission on Thursday, not that they should be withdrawn or postponed. We made it clear that if they could not be asked on Thursday—and this depends on the Bureau and the Rules of Procedure—then it would be impossible to withdraw the questions of myself and my colleagues because they are relevant today.

I appreciate that this is not a question for the Bureau to decide. The Commission is here. It has always been a collegiate body and the Commissioners can answer for each other. One wants factual answers. The fact they may give rather bad answers to supplementary questions merely means they have been incorrectly briefed or are not quick enough on their feet. Nevertheless, I am sure they will be able to do this. They are all extremely intelligent people and we all admire their ability enormously.

May we ask the Vice-President of the Commission to reconsider and possibly try to answer the questions of myself and my colleagues?

President. — I call Mr Kirk.

Mr Kirk. — I too find this a most extraordinary situation.

The Royal Show which Mr Lardinois is attending is taking place all week. There is no particular reason why he had to be there today. The Commission knows perfectly well that Tuesday is Question Day in Parliament and Mr Lardinois knows perfectly well that most of the questions tend to be addressed to him.

President. — The Show was opened by Sir Christopher Soames.

Mr Kirk. — There is no reason why Mr Lardinois had to be at the Royal Show today. If he wished to visit it, he could have done so at some other time during the rest of the week. The Show was opened yesterday.

I wish to make the point that this position was known. I am sure the Commission was well aware that the Bureau had not agreed to the postponement of these questions until Thursday. In my view it is outrageous that the Vice-President should come to us today and say he will not answer, although the Commission is a collegiate body, and that he should expect us to

wait for two months to have some of these very important questions answered.

President. — I call Mr Houdet.

Mr Houdet. — (F) Mr President, I should like to confirm what I said a little while ago and especially what was said by my colleague from the Committee on Agriculture, Mr Scott-Hopkins.

At our last meeting, Mr Lardinois notified us that he would be unable to be present today, but he realized the importance of the questions set down agricultural problems and he very much wished to answer them himself. We agreed to his request that we should consult you on this matter, which I did a little while ago, in order that the question on agriculture might be entered on Thursday's agenda. If this were not possible, Mr Scott-Hopkins in particular and other members indicated that they would maintain their written questions put down for today. This being the case, since Parliament has not accepted our request and—as Mr Dewulf has already said—given the collegiate character of the Commission, it seems abnormal that another commissioner should not take Mr Lardinois' place to answer the questions.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — This matter raises questions of the greatest constitutional importance in regard to the relations of this Parliament with the executive in the shape of the Commission, which is the primary function of a parliament.

Although under the treaties the Council, to some extent, comes here and answers our questions as a matter of grace, a mandatory duty is imposed on the Commission to answer the questions of this Parliament. Today it is in breach of that duty. The responsibility of the Commission for its functions, and therefore its responsibility to this Parliament, is not individual and several; it is collective and joint. It is expressed by a single Commissioner on behalf of the whole Commission merely as a matter of convenience. Therefore, in a constitutional sense, there can be no excuse or justification for the Commission not being prepared to answer any question properly tabled and accepted by you, Sir.

In all national parliaments, where the doctrine of ministerial responsibility to parliament exists, it is a cardinal and primary characteristic of the constitution that the executive is at all times available to discharge its duty of answering to parliament, and that takes precedence over

Sir Derek Walker-Smith

every other form of activity, however agreeable that form of activity may be or even how useful it may be in itself.

May we therefore respectfully ask you, Mr President, to bring it clearly to the attention of the Commission that in future this Parliament will expect a proper respect to its constitutional rights in order that the institutions may evolve as all would wish.

(Loud applause)

President. — I call Mr Cousté.

M. Cousté. — *(F)* Mr President, at this point in the discussion I should like to make a concrete proposal.

Could not the Commission, which has not only this question on milk problems to answer, but also four other questions relating to agricultural matters, tell us if it intends not to reply to any of these questions or only to the one on milk.

This would be a way of settling the problem by limiting the difficulty to this one question, if it is only this one that the Commission does not intend to answer, instead of making it a matter of principle.

The Commission could tell us if it can answer the other questions on agriculture.

President. — I call Mr Pounder.

Mr Pounder. — Following on from the point of order raised by my friend and colleague Sir Derek Walker-Smith, where there has been, as there clearly has this morning, a gross breach of a duty by the Commission to this Parliament, that, surely, in the sort of language which we would use in our own national parliament, is nothing more nor less than a contempt of this Parliament.

Therefore, we have a twofold duty today: to express our unqualified disgust with what has happened, but also to make it absolutely clear that in no circumstances can there ever again be a repetition of this situation. I therefore ask you, Sir, what action this Parliament can take to express its disgust, because this is a matter of the utmost gravity. It is inconceivable that such a situation could arise in our own national parliaments. What is this but a group Parliament embodying as much as possible the concept and principles we observe in our own parliaments?

President. — I call Mr Vals.

Mr Vals. — *(F)* Mr President, I thought that, on this point, you had just called for the last speech. I should like to say something more after hearing the reply of the Commission.

President. — To Mr Cousté's question?

Mr Vals. — *(F)* Not only to Mr Cousté's question. I quite understand the indignation felt by a number of our colleagues. It is indeed unacceptable, when we have adopted this direct method of discussion between the Commission and the Parliament, that these proceedings should not be able to go ahead properly because a Commissioner, no matter who, happens to be involved in organizing, or is visiting, a chrysanthemum show or any other flower show...

(Laughter)

President. — A cow show.

Mr Vals. — *(F)* This is a serious matter. That is why I am anxious to hear the Commission's reply.

It is perhaps necessary to point out that, on the constitutional level, Parliament has a means at its disposal—and here I strongly urge our colleagues to think about this point—of making the Commission understand that Parliament is not satisfied with its attitude. I don't think I need be more precise. I understand your indignation, but you have at your disposal the motion of censure, which will, perhaps, have to be used one day in order to make it clear that this Parliament is not prepared to let itself be trifled with as it is at the present time.

(Applause)

President. — I call Mr Scarascia Mugnozza to state the Commission's position with regard to the present situation.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — *(I)* Mr President, I think that nobody can deny that the Commission has taken great pains, particularly in these first months of its activity, to be in touch as closely as possible with the activity of Parliament. This has been the case both in the work of the Parliamentary committees and in the work of the Assembly itself, where the Commission has always been represented by most of its members, particularly within the framework of the new procedures initiated in Parliament. The Commission, for its part, has proposed new procedures to improve relations between it and Parliament.

Scarascia Mugnozza

I am now going to repeat what I have already said. I believe that we have fallen victims of a misunderstanding, inasmuch as the questions on agriculture (that is to say, Nos 56/73, 65/73, 66/73 and 69/73) are all related to a subject which will be discussed on Thursday, a subject which is of the utmost importance and which is raised in Oral Question with debate, No 66/73, put down by the Socialist Group, on Community agricultural surpluses.

I believe, therefore, that my colleague, Mr Lardinois, really was the victim of a misunderstanding and that he thought that, since he could not be present today, it would be possible to discuss all these inter-related questions together, because the legal and technical problems raised in the first question feature also in all the other questions. For this reason he must have thought that he was not obliged to give a reply at today's sitting.

The only other thing that I must say is that the Commission is really a team and that it wishes to work, and in fact does work, as a team. However, I have also said from the very beginning that, particularly in my capacity as the member of the Commission responsible for contacts with the European Parliament, I could not have replied to all the questions put by Parliament because I felt that each of my colleagues, within his own terms of reference, could have given the European Parliament a more satisfactory reply.

As things stand at present, I am sorry to have to tell you, Mr President, that, if I had at my disposal the documents on which to base a reply, I would reply immediately but that unfortunately I do not have these documents, because it is obvious that my colleague, Mr Lardinois, has fallen victim of the misunderstanding of which I have already spoken.

Therefore, the reason why I cannot give a reply is not that the Commission is not prepared to make a reply but that I do not have at my disposal a document upon which I could base a satisfactory reply to Parliament.

President. — As far as direct collaboration between the Commission and Parliament is concerned, I note that only 3 Members of the Commission are at this time present to answer our questions. The remaining 10 are absent.

I call Mr Johnston on a point of order.

Mr Johnston. — Simply and briefly, Mr President, I noticed that in his reply the Commissioner made no reference to my question. I understood the burden of his argument to be that the other questions concerning agriculture

were related to the oral questions with debate which will be discussed on Thursday and that, in consequence, Mr Lardinois considered, as a matter of misunderstanding, that he did not have any questions to answer today. Presumably that means that the question on the Community alcohol régime will be answered today by someone else or that Mr Lardinois has in some way overlooked it, which I find incomprehensible.

President. — The point you have raised concerns the following question, No 57/73.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, Ladies and Gentlemen, it is quite understandable to me that the Vice-President of the Commission should attempt to excuse his absent colleague, who evidently deems it more important to attend an agricultural show than to discharge his duty to Parliament by making himself available to speak and answer questions. Mr Scarascia Mugnozza speaks of a 'misunderstanding'. May I remind him that Rule 47A of the Rules of Procedure places upon this Chamber the obligation to set aside a question time at the commencement of the second or the third sitting day during a part-session, when any Representative may put a brief oral question to the Commission or Council of the Communities.

Just as the President of the Council, who took office only two days ago, was able to answer all questions to the best of his ability—and we offer him our warmest congratulations on his democratic approach to our Parliament—why should not the Commission be able to do likewise? The appointed members of the EEC Commission answer on the basis of collective responsibility. It is clouding the issue to talk in terms of misunderstandings, Mr Scarascia Mugnozza; what is needed is proper respect for the Rules of Procedure of this Chamber, the representative body of Europe.

(Applause)

President. — I call Mr Kirk.

Mr Kirk. — I quite appreciate the gallant attempt which the Vice-President of the Commission has made to rescue his colleague, but I fail to see how there can be any misunderstanding in view of the discussion which took place in the Committee on Agriculture earlier, when it was made plain to Mr Lardinois that no guarantee could be given whether these questions could be answered on Thursday or, indeed, answered at any other

Kirk

time. In these circumstances, pending the arrival of Mr Lardinois with, I hope, a proper explanation of his conduct, the only thing I can say is that the European Conservative Group—as, I hope, other groups—will give urgent consideration to the possibility of tabling a motion of censure for September.

President. — I call Mr Amendola.

Mr Amendola. — (I) Ladies and Gentlemen, we are faced with a misunderstanding. And the misunderstanding has nothing to do with the presence or absence of Mr Lardinois at our sitting. The misunderstanding consists in our regarding, as we do, with a considerable dash of formalism, if not even of hypocrisy, the Commission as the ruling power within the Community. Now the Commission is not the ruling power within the Community, and neither is the Council if it comes to that!

In my opinion, there is more to all this shilly-shallying than the mere absence of Mr Lardinois at a show in Britain; what is really in question is the lack of a common agricultural policy. The last meeting of Ministers for Agriculture resulted, at the Council of Ministers, in a series of postponements, so that we find ourselves faced with deep differences of opinion and with conflicts between opposing interests which are bringing about a paralysis of the Community institutions.

I would like to see this paralysis being overcome; I would like to see the Commission functioning as a collegiate body; I would like to see Parliament given the full democratic power to raise problems and to get replies. But we must also be fully aware that all this can come about only by means of a profound transformation in the present set-up in the Community and as a result of the elaboration of an economic and political line which can serve as the basis for strong governmental action. This line does not exist today, what we have instead is a violent clash of interests between the representatives of the various Member States and of the various social classes and it is perfectly clear that, faced with this conflict of interests, the Commission is just like an earthenware jar dashing itself against iron vessels.

President. — I call Mr Scarascia-Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, I should only like to say, in reply to Mr Amendola, that there is no foundation for any of the doubts raised by him. In fact, my colleague, Mr Lardinois, had he been here,

would have been able to reply. I cannot reply nor can any of my colleagues, because, as I have said, there has been a misunderstanding and this has prevented us from having a document on which to base a reply. We have the documents on other questions but not on this one, because, as I say, of the misunderstanding that has arisen.

But, Mr President, permit me to put a question on a matter which we should have clarified for us. Beginning with this part-session a new system is being introduced by which Monday is reserved for the political groups and Tuesday is, in practice, the first day of the part-session. Now, how are we to regard all this in relation to the regulation cited by Mr Fellermaier? Is this the first or the second day of the part-session?

President. — I think, Mr Scarascia Mugnozza, that Rule 47A of the Rules of Procedure is perfectly clear. Mr Fellermaier has moreover already referred to it. Rule 47A states that:

‘A question time shall be set aside at the commencement of the second or third sitting day during a part-session, when any Representative may put a brief oral question to the Commission or Council’.

The present part-session started yesterday, and today is the second day. Question Time began at 9.30 a.m.

The only course of action open to me is to follow the suggestion made by several Members and continue with Question Time.

I therefore call one of the three Members of the Commission of the European Communities present to answer Sir Douglas Dodds-Parker's question.

Mr Covelli. — (I) Mr President, I should like to reply to the interpretation you have given of the agenda. Will you allow me to state my opinion?

President. — The matter is settled.

Mr Covelli. — (I) But there is nothing to settle. We are confronted with a new fact and should be able to express our opinions.

President. — You ought to have asked to speak earlier.

I call the representative of the Commission.

Mr Covelli. — (I) This is a most curious way of presiding over Parliament!

President. — I call the representative of the Commission to answer Oral Question No 56/73 by Sir Douglas Dodds-Parker.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, if you are now asking me to answer Oral Question No 56/73...

President. — I must apply the Rules of Procedure. One of the Members of the Commission may now answer Oral Question No 56/73 by Sir Douglas Dodds-Parker.

Mr Scarascia Mugnozza. — (I) Mr President, I have already stated and I must repeat that I am not in a position to give a reply to questions 56/73, 65/73 and 66/73 because I do not have the relevant documents. I have already explained this clearly.

President. — I call Sir Douglas Dodds-Parker for his reaction to the Commission's answer.

Sir Douglas Dodds-Parker. — I do not quite know. I cannot speak loudly enough to reach Mr Lardinois at the Royal Show. I see that I have no alternative but to accept the silence.

(Laughter)

President. — I call Mr Vals on a point of order.

Mr Vals. — (F) Mr President, I ask that the sitting be suspended and a meeting of the Bureau held immediately in order to make the necessary proposals to the House. We cannot continue with this debate.

President. — Suspended for how long?

Mr Vals. — (F) Half an hour, so that the Bureau can meet and come to a decision.

(Reactions from various quarters)

President. — The sitting is suspended until 11.30 a.m.

(The sitting was suspended at 10.55 a.m. and resumed at 12 noon)

President. — The sitting is resumed.

Mr Covelli. — (I) I wish to speak on a point of order.

President. — I call Mr Covelli, who has asked to speak before me on a point of order.

Mr Covelli. — (I) Mr President, I really should have been allowed to speak earlier when you refused me permission.

Before I turn to procedural matters and leaving aside for the moment the question which was actually before this Parliament, will you allow me, Mr President, to suggest to you that you should be more prudent or, better still, that you should cultivate a different style, because I believe that there is no one amongst the distinguished Members of Parliament in this Chamber who does not have the right to ask the President the reason for his interpretations of the Rules of Procedure. Mr President, I do not know what length of service you have in your own national parliament; for my part, I can point to a service of more than a quarter of a century, and therefore there is no one who has as much respect as I have for orthodoxy in Parliament. It has never before been known for a President to refuse to even listen to the request of a Member of Parliament for the floor without even knowing what the Member wished to enquire about. He might have the right to enquire, as in this specific instance, or he might not have the right, and the Member of Parliament would be wrong to insist on speaking when the President, having heard his reasons for asking for the floor, felt that he was bound to refuse. You however, Mr President, have not even given this courteous attention to the inquiry I was making of you about your interpretation of the Rules of Procedure. Therefore, I cannot but call attention, and here I ask pardon if the language I use seems too blunt, to the lack of attention, not to mention the discourtesy, meted out by you to a Member of this Parliament who only wished to ask you, Mr President, for what reasons and in virtue of what decisions Parliament met this time in plenary assembly on Tuesday and not on Monday.

Mr President, before you assert and justify the validity of this decision, allow me to say, and please contradict me if I am saying anything inaccurate, that you, together with the Bureau, have violated the second paragraph of Rule 12 of the Rules of Procedure. In fact, in the minutes drawn up at the end of the last part-session we read: 'the agenda has now been dealt with. The enlarged Bureau proposes to Parliament that it should hold its next part-session during the week from 2 to 6 July 1973 in Strasbourg. Since there are no objections, that is agreed.' Now the first paragraph of Rule 12 says: 'the enlarged Bureau shall prepare the draft agenda for sittings of Parliament on the basis of information passed to it by the Presidential Committee.'

The second paragraph says that the President shall lay before Parliament, for its approval, the draft agenda for its sittings.'

Now, the enlarged Bureau is not the Parliament, that is to say, it does not have the same rights

Covelli

as the plenary assembly of Parliament. You ought to have put this decision of the Bureau before the Chamber, if you will pardon me for saying so, Mr President, and even if there had been no objections, at least the Assembly could have amended a tradition by deciding that in all future part-sessions the work of Parliament should begin on Tuesday and not on Monday.

I shall explain the reasons for this to my colleagues. I beg your pardon if I go on at great length on this topic, but I have been one of the victims of this strange new procedure inaugurated by the Bureau and backed up by the President, in clear violation of Rule 12 of the Rules of Procedure.

Of course, in this Parliament there are some people who are informed in detail of everything decided upon by the Bureau with the chairmen of the Groups. They belong to those Groups who are represented in the Bureau by their chairmen. Now in this Chamber there are some colleagues, and if you look around you will find that they are greater in number than any one political group, who are not informed of the decisions taken by the Group chairmen in the Bureau, in which the President decides upon the order of business. In fact, Mr President, we three of my political party could have remained quietly in Rome—because all three of us are from Rome—and held our meeting there, without arriving here on Monday to find this place deserted after the Bureau—I ask you, ladies and gentlemen, to give me your attention on this matter—, having usurped the rights of the plenary assembly, had brought in this innovation as late as 25 June.

In fact, it was on 25 June that the enlarged Bureau, together with the President, decided not to hold the plenary sitting on Monday but to begin on Tuesday. The Groups with representatives in the Bureau were able to know about this but we could not have known it. Neither you, Mr President, nor those who support your decisions can afford the luxury of believing that in this Parliament there are first-class members of Parliament and second-class members. We all have the same rights and certainly the same duties by virtue of the Rules of Procedure. We cannot therefore accept an information procedure which is limited to the groups represented in the enlarged Bureau.

With this, Mr President, I have finished with the point of order that I wished to make. I should like, by means of this point of order to address a request to the Bureau to make decisions on this matter in such a manner that further inconveniences of the type I have described will not be caused, so that some sections of Parliament are informed

of the Bureau's decisions while other sections are not, thus giving rise to a discrimination in treatment which is incompatible with the democratic rules of any self-respecting Parliament.

Mr President, you, acting together with a majority of the chairman of the political groups in the enlarged Bureau, are free to adopt a decision which is in open violation of the Rules of Procedure. This is a kind of 'democracy' which may appeal to you and to those who support such methods, but it certainly does not appeal to those, who, like me, have a genuine respect for democracy and for this reason wish to see the Rules of Procedure applied in an orthodox manner.

In conclusion, therefore, I censure your attitude (*Protests*) and I take the liberty of telling you, M. President, that I do not approve of the decision you have taken on this question.

President. — I can inform Mr Covelli that the position of non-attached Members of Parliament will be the subject of further close scrutiny by the Bureau.

The Bureau will then make proposals to Parliament, as necessary.

I come now to another point raised by Mr Covelli, that is the beginning of the part-session. The Bureau decided that Monday would be the first day, but that it would be devoted to meetings of political groups. Monday was nevertheless Parliament's first sitting day. In adopting the agenda this morning, the plenary sitting unanimously agreed that the current part-session began yesterday and that today was the second sitting day. This was also confirmed when a similar question was put by the Commission. This disposes of Mr Covelli's point.

15. *Statement by the President concerning Question Time and change in agenda*

President. — Following the events of this morning, the enlarged Bureau met while the sitting was suspended. It has instructed me to read the following statement:

- (a) The Bureau wishes to express its displeasure at the fact that during today's Question Time the Commission of the European Communities appeared unable to answer a number of questions, although the agenda had been adopted at a meeting of the Bureau, with the Commission's express approval;
- (b) The Bureau has requested me to discuss the matter with the President of the Commis-

President

sion in order to ensure that this situation does not occur again;

- (c) The Bureau has decided to deal with the matter in greater detail at one of its next meetings.'

The Bureau proposes—and I put this proposal to the House in as chairman of this sitting—that Parliament discontinue today's question time and proceed immediately with the remaining items on the agenda.

I call Lord O'Hagan.

Lord O'Hagan. — I should like to ask for a little more information. As you know, Mr President, I am not represented by anybody on the Bureau. Therefore, I am at a loss to understand why one of the primary rights of back-bench and independent Members in this Parliament is suddenly to be removed from us because certain Members of the Commission are absent or the Commission as a whole is unable to discharge its duties. May we go on with the questions, which are now a very important feature from the public interest point of view in this Parliament, with those Commissioners who are present, or their substitutes, and so get along with matters in a normal way? Why is this decision being taken in a unilateral manner?

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — It is merely on a question of information that I wish to raise a point of order. Are the remaining questions which are unanswered at the moment to be put off to September—in my case, that would be a waste of time—or do I get a written answer from the Commission within the next 24 hours? Do I have a choice?

President. — Mr Scott-Hopkins, you may withdraw your oral question and request a written answer from the Commission as soon as possible. It is for you to decide.

The matter of whether Question Time should not be continued anyway was raised in the Bureau. The Bureau decided by a majority not to do so. It was aware that this decision would give rise to questions such as that put by Lord O'Hagan. Taking everything into consideration, the Bureau decided there was no point in continuing Question Time now. Questions already tabled naturally remain on the agenda.

I would point out that, because of this incident, the time allotted to Question Time has long since elapsed, but this is relatively unimportant

compared with the political significance of the matter under discussion.

I call Mr Taverne.

Mr Taverne. — This is a matter of some importance for those of us who are not members of groups. We have put down questions because we regard them as dealing with matters of importance. In my case, certainly, I put down a question on a matter which I regard as of some urgency. However, having made this protest in strong terms, I do not intend to press it further because, while matters of great importance, indeed of fundamental importance, to the future of this Parliament have been raised this morning, I think that it would be a mistake if there were now to develop an interminable procedural wrangle. In the circumstances, with the greatest of reluctance and the strongest of protests, I accept the ruling of the Bureau.

President. — I call Mr Spénale.

M. Spénale. — (*F*) Mr President, I fully agree with the Bureau's proposal, but I should like to ask whether Question No 62/73 could not be dealt with in a special way.

A question No 61/73 was put down for the Council on the mandate to negotiate the agreement with the Mediterranean Basin Countries and an additional question was put down for the Commission.

These two questions together form a whole, each put to an institution. Having received from the Council a reply which told us nothing, we should like to know what the Commission, for its part, would have wished. Must we wait 75 days between the reply of the Council and that of the Commission or can we treat this case in a special way so that we can examine the whole of the question in the same discussion?

President. — Mr Spénale, with all the will in the world, I can't see how we can go on with Question Time and deal with certain questions only. One speaker would want one question dealt with, another would want a different one.

I call Mr Johnston on a point of order.

Mr Johnston. — I, too, will be brief because I, like Mr Taverne, reluctantly accept the situation and see no value in prolonging a procedural wrangle. But I should like from you, Mr President, an explanation. You have given us the decision of the Bureau that they wish Question Time to cease...

President. — For today.

Mr Johnston. — ...for today. I should like to know the reason why this decision was taken. After all, there remain only 10 or 11 questions still to be dealt with and they would not take a very long time. As Members we have to put down these questions six weeks in advance. Because of the intervention of the summer recess, we now have to wait until September for them to be dealt with. I should like at least to know the reason why we are put into this position even if, in the end, I am obliged reluctantly to accept it.

President. — In answer to Lord O'Hagan and Mr Johnston, I would point out that the Bureau has decided to express its displeasure at the fact that the Commission was unable to answer certain questions put during Question Time, especially as those questions had been put on the agenda in the Commission's presence. In view of the unsatisfactory course of events this morning, the Bureau has decided to propose that Parliament discontinue Question Time for today, but only for today.

The reason for the Bureau's decision was to give more force to the expression of Parliament's dissatisfaction.

This decision must of course still be agreed to by Parliament. I therefore now propose that the House accept the Bureau's decision not to continue today's Question Time.

Mr Johnston. — Why?

President. — Before putting the Bureau's proposal to the vote, I call Mr Taverne. Will he please be very brief.

Mr Taverne. — I do not wish to alter my view that this has to be accepted. I ask first that the Bureau consider whether Thursday might be a suitable day and secondly whether in future it might show rather greater logic.

It seems somewhat illogical that, in order to spite the Commission which has refused to answer some questions, backbenchers who have tabled other questions should be refused the opportunity to ask them.

The fact that the Commission is unable to answer the questions for which the responsible Commissioners are not present is hardly a reason for refusing to answer the questions which it is able to answer.

President. — I call Mr Johnston, the last speaker.

Mr Johnston. — Mr Taverne has put my point very succinctly.

It is a very strange exercise in logic that, in order to reprimand the Commission, backbench members of Parliament should be penalized. I see no logic in this whatsoever.

President. — I put to the vote the enlarged Bureau's proposal to discontinue today's Question Time.

The proposal is adopted.

I call Mr Bertrand on a point of order.

Mr Bertrand. — (NL) Mr President, I would be grateful if you could tell me when Question Time will be continued this week. Parliament has not yet expressed its views on that point. I would ask you to make a specific proposal to Parliament before Question Time is resumed. It is inconceivable that it should be postponed until September. The Commission must see to it that it is present this week. Otherwise we shall propose other measures. I think that you should put Question Time on the agenda for tomorrow, Thursday or Friday. You must then inform the executive when Question Time is to be resumed and await its response.

President. — The Rules of Procedure stipulate that Question Time shall be held on the second or third sitting day of each part-session. On this occasion, it was arranged for the second day.

There remains the problem raised by Mr Bertrand which I must go into in more detail. I hope to be able to make a statement to Parliament on this matter very shortly.

16. Oral Question No 48/73 with debate on the action taken on Section 15 of the Declaration issued following the summit conference in Paris

President. — The next item is Oral Question No 48/73 with debate by Mr Giraud, on behalf of the Political Affairs Committee, to the Council of the European Communities.

The question is worded as follows:

The Political Affairs Committee draws the attention of the Council of the European Communities to paragraph 5 of section 15 of the Declaration of the Paris Conference of Heads of State or Government which states:

'The Council will, before 30 June 1973, take practical steps to improve its decision-making procedures and the cohesion of Community action,' and to paragraph 3 of the same section which covers one aspect of the foregoing paragraph and reads as follows:

President

'they felt it desirable that the date on which meetings of national cabinets were normally held should be the same so that the Council of the Community could organize itself with a more regular timetable';

and asks what steps have been taken by the Council and by national governments to implement the decisions embodied in these two paragraphs.

I would remind the House that pursuant to Rule 47 (3) of the Rules of Procedure the questioner is allowed twenty minutes to speak to the question, and that after the institution concerned has answered Members may speak for not more than ten minutes and only once. Finally the questioner may, at his request, briefly comment on the answer given.

I call Mr Giraud to speak to the question.

Mr Giraud. — (I) Mr President, I think that I do not need to speak at any great length in explaining the question put down by the Political Affairs Committee with a view to ascertaining what decisions have been taken by the Council to implement paragraphs 2 and 4 of point 15 of the communiqué of the Paris Summit.

The fourth paragraph says: 'The Council will, before 30 June 1973, take practical steps to improve its decision-making procedures and the cohesion of Community action.' Now, Mr President, it is with deep regret that we have seen this date of 30 June pass by without our being informed of the decisions taken by the Council in this matter. This is a cause of great regret to us all. I should like to hear from the new President of the Council (to whom I extend my congratulations and my best wishes for his work) what exactly the Council has done, or intends to do, to implement promptly this important point in the Paris communiqué.

A second point in this same communiqué is referred to in the Political Affairs Committee's question. It is the point which says that the Heads of State or Government 'felt it desirable that the dates on which meetings of national cabinets were normally held should be the same so that the Council of the Community could organize itself with a more regular timetable'.

This morning during Question Time, Mr President, we were witness to a heated, in fact a very heated, exchange between Parliament and Commission. The topics down for discussion on the agenda for the coming days (I refer to the Spénale report on budgetary powers and also to Mr Fellermaier's report on procedures for the autumn negotiations with the United States of America and for the visit of the United States President to Europe) show that if the wheel of Community action is not to bog down

entirely, as it so often seems to threaten to do, it needs to revolve more rapidly and it needs greater freedom of movement and more efficient procedures in regard to relations between the institutions and within the Council itself.

The fact that in this context the Paris communiqué referred specifically to the Council shows that it is from that quarter that the vigorous push must come to make decision-making procedures more efficient, thus enabling the other institutions to act more effectively as a result and, within the institutional balance proper to the democratic system, to achieve that Community cohesion which consists in fidelity to the Treaties but also in sensitivity and flexibility in evolving Community action to implement the Treaties, to bring about what the Treaties actually lay down and also that which, while not expressly laid down in the Treaties, is presupposed by them as the final and all-important goal of the European process, namely, political union between the Member States of the Community.

I think that there is nothing further that I must add here, except to invite the President-in-Office of the Council to let us know—I think that he will be giving us shortly more precise information on this matter—the Council's intentions and what urgent measures it proposes to take to make up for the delay in implementing the points made by the Heads of State or Government in Paris.

I believe that the extent to which the Council enables the other institutions to act promptly and flexibly and the promptness and flexibility of the Council itself in acting on its own vast responsibilities (legislative and executive responsibilities) will determine the extent to which we can look forward to furthering a more organic and more rational development of our entire Community policy and of the institutional structure towards which the Community must strive with a view to implementing European union.

(Applause)

IN THE CHAIR: MR BURGBACHER

Vice-President

President. — I call Mr Nørgaard to answer the question.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) I fully agree with the speaker that this is a particularly important problem which must be solved. The Council has begun to examine the practical

Nørgaard

arrangements aiming to improve its decision-making procedures and the cohesion of Community action, in accordance with point 15, subsections 3 and 5, of the declaration of the Heads of State and Government of 21 October 1972.

This examination has made good progress and the Council had intended to discuss these subjects at its last meeting of 25 and 26 June. I share the regret that we did not manage to deal with this question at that meeting. As you know, the very full agenda of the meeting included extremely urgent matters of paramount importance, such as the preparation of the GATT negotiations and policy on the Mediterranean countries. The time taken up by these questions prevented the Council from engaging in the thorough debate on this problem that one might have wished for.

The Council understand the importance of this problem, and in view of this decided to set aside a large part of its next meeting, which will be held on 24 July, for this purpose. It is only after this date that the Council will be in a position to inform the European Parliament of the results of its deliberations.

President. — I call Lord Gladwyn on behalf of the Liberal and Allies Group.

Lord Gladwyn. — The Liberal Group finds it highly regrettable that the Ministers have not abided by the timetable formally laid down last October by the summit conference. I understand that this is the first time that famous timetable has been abandoned. There was a little difficulty, I believe about the establishment of the Monetary Fund in Luxembourg, but it was solved practically within the timetable laid down in Paris. Other features of the timetable have, more or less, been abided by.

I should therefore like the Minister to tell me whether I am right in thinking that this is in fact the first time that a solemn decision of the Ministers—that is, that the Council would before 30 June 1973 take practical steps to improve its decision-making procedures and the cohesion of Community action—has been ignored.

I notice that the Minister said that this would not be so in future and that the Council had been prevented from taking this decision. We can take note of that. He also said that good progress had been made in considering the matter and that a review had been started. He added that they had intended to discuss the matter on 22 June and will certainly discuss it on 24 July. We can only hope and—as far as we can—insist that they will then come

out with practical proposals for improving the rather scandalous procedure which the Council now adopts.

'Marathon sessions' almost without end, with sleepless officials and Ministers arriving at odd decisions in the middle of the night, are clearly wrong.

May I therefore ask the Minister whether at least one of the proposals for simplifying and improving procedure could be considered: the adoption, in certain spheres to start with, of qualified majority voting? Does the Minister not consider that unless some such device is agreed to, then however good its intentions, the Council will not be able to function except by the slightly lunatic procedure of marathon sessions?

There is also the alternative or additional suggestion which has been made—which has always seemed to me a good one—that there should at least be a timetable for decisions on a report by the Commission, for example, when the Commission puts in a report and the Council cannot agree by unanimous vote on its recommendations. As I say, the Council might then agree on a timetable whereby the decisions must be taken by a certain date. That in itself, I should have thought, would put pressure on the Ministers to reach some kind of decision.

Obviously, if we had majority voting of some kind, even in certain spheres, it would be like a skeleton in the cupboard: it would never be used but a compromise would eventually be reached such as is eventually arrived at by this dreadful procedure of unanimity and marathon sessions. That would be far easier to achieve if this weapon, which would probably never be used, were in the cupboard. I do not know whether the Minister can comment on that suggestion at this stage. No doubt he is satisfied that the present procedure is the only one that can be adopted for the moment. But I should like him to say whether procedures such as I have suggested will be considered and, if not, what kind of procedures the Ministers are now considering in order to improve the present system which, as we all know, is entirely lamentable.

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

Mr Patijn, spokesman for the Socialist Group. — (NL) Mr President, you will understand that my group is not too happy with the answer given by the President-in-Office of the Council, namely that nothing has happened. It goes without saying that a summit conference should be

Patijn

postponed if it proves impossible to complete the preparations in time.

This answer raises the question of what the position is with respect to other information given in the communiqué of last year's Summit Conference. For example, we have our doubts with regard to the economic and monetary union.

We have not really received any information from the President-in-Office of the Council. I understand that he is unable to give any information about the anticipated result. Like Lord Gladwyn, however, I would be curious to know what points the Council may discuss. We should be able to air our thoughts on these points and do not wish to be confronted with results suddenly in the middle of the summer. The President-in-Office of the Council is in all probability able to indicate what points the Council is considering. If decisions are to be made on the 24 July it must already have been decided which points the decisions are to refer to.

I would like to ask the President-in-Office of the Council whether certain points are being discussed and if so what direction the discussions are taking. Like Lord Gladwyn I should also like to know first and foremost whether the Luxembourg Agreement of January 1966, the so-called 'agreement to disagree' is being reconsidered in the Council's discussions on its own procedure and if so what direction are these discussions taking?

Is there then talk of the possibility of an even greater delegation of powers by the Council to the Commission? If the Council wishes to take decisions more easily it must allow the Commission much more power than in the past to execute those measures on which it has decided in a general sense. The implementation is best left to the Commission. Only too often when determining measures the Council also takes on the job of arranging for the execution of those measures.

A third point in which I am very interested is the role played by the Committee of Permanent Representatives. This has been a continual topic of discussion in this Parliament since the creation of the ECSC Treaty. I would remind the House that my colleague in the Socialist Group, Mr Van der Goes van Naters, often spoke on earlier occasions in a negative way about the role of the Committee of Permanent Representatives. That is not my intention now I am well aware that this Committee makes it possible for the Council to reach decisions. If the Committee did not exist the Council would probably not be able to take any decisions at all.

It was on the occasion of the Merger Treaty in 1965 that the Committee of Permanent Repre-

sentatives was given its own place in the treaties. Is it the intention that the Committee should officially be given powers to take decisions? I had heard talk of this. I would ask the President-in-Office of the Council to inform us whether things are moving in that direction. Is it the intention that certain powers should be delegated to the Committee and that, as a consequence, the Council would only take formal decisions? That is the case at the moment but it is not officially laid down.

A further point concerns the disclosure of the activities of the Council. This is an old bone of contention in this Parliament. Our function with regard to decisions of the Council is simply to peruse them after they have been taken. Usually we hear via the Commission or—at a much later stage—from the Council what has actually happened. This refers not only to the discussions, but even to the decision-taking itself. Are there in fact majority decisions and how does a decision come about? This may be important since Article 149 of the EEC Treaty expressly states that the Council may only amend a proposal from the Commission by unanimous vote. We would like to know whether there has been unanimity and what role the Commission has played in this. We should also like to know whether the question of disclosure is on the agenda of the Council. I am not asking the President-in-Office of the Council to provide an answer at the present time. I would only like to know whether these items are on the agenda.

Are such matters discussed by the Council in order to establish an agreement, in the form of an internal measure? Is an amendment of the Rules of Procedure being considered or is the Council thinking formally of a modification of the Treaty in order to establish in greater detail procedures whereby its own working methods are determined?

Once again, Mr President, I well understand that the representative of the Council is unable to inform us at this moment of any final decisions. He has just told us this in his introductory speech. It would, however, be welcome if the representative of the Council could now indicate what points the Council is at present discussing and in what direction the discussion is moving. It must be possible for us to be given some information so that we are not completely in the dark about the path which the Council has taken.

(Applause)

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

Sir Derek Walker-Smith. — Mr Giraud and Lord Gladwyn have already expressed regret that the target date of 30 June in the timetable of the Paris Communiqué has not been met, and the President of the Council has this morning told us that this matter was crowded out of the agenda last week. At least we have the comfort that it was crowded out of the agenda not because of the absence of the Members of the Council at an agricultural show, but because they were engaged on the important business of the preparations for the GATT negotiations. We were also told that the matter goes over to the next meeting on 24 July. At least this will have the advantage that when the Council meet on 24 July it will be able to take cognizance of the views expressed in Parliament today.

There is no doubt that the whole subject of the decision-making procedures of the Council is of great importance not only to administrative efficiency, which is a great thing, but to the democratic working of our institutions, which is a still greater thing.

The improvement of the decision-making procedures, particularly the strengthening of the democratic base, is a three-sided exercise. I am glad that the Commission at any rate shares this view. In its recent document No 103/73 on practical measures to strengthen Parliament's powers of control and improve relations between Parliament and the Commission, it calls for measures by all three of the Communities' political institutions acting separately or together.

For our part in this Parliament, we have set up a special study group and I have been charged by my colleagues on that group with the responsibility of preparing the report on the relations of Parliament with the Council of Ministers. It would be wrong to anticipate today any of the recommendations which may emanate from that group on this important subject, though later in the part-session I hope to have the opportunity of mentioning the matter again.

Meanwhile, I should like to make one or two preliminary observations against that background and the background of nearly 30 years membership of my own national parliament.

Both the matters raised in this question under paragraphs 3 and 5 are of importance—though paragraph 3 is really procedural within the limits and mechanics of the matter—to the hours of Council meetings, though there may be difficulties about implementation. When I was more concerned with these matters in Britain in years past, the Cabinet used to meet twice weekly.

Therefore, there may be some difficulties in getting this recommendation fully tied in.

Paragraph 5 concerns the fundamental improvement in the decision-making procedures of the Council. The desiderata of improved decision-making procedures of the Council are that they should be prompt, practical, positive, sensitive to national interests, cognizant of the interests of the Community and, above all, democratic. This last requirement is the most difficult to achieve.

We are all familiar with the classic concept of supervision of the executive by responsibility to parliament, but it is not easy in the decision-making procedures of the Council because responsibility is shared between a responsibility to this Parliament in those spheres in which the power of decision is transferred and responsibility to national parliaments in the spheres to which responsibility is retained by them.

It is right that we should recognise this duality just as the Paris Communiqué does in paragraph 16 which refers to the evolution of the whole complex of relations of Member States 'with the fullest respect for treaties already signed'; that is, respect, in that evolution, for those matters which are reserved for the decision of national governments and parliaments.

Therefore, the decision-making procedures of the Council should have a dual democratic basis: first, a responsibility to the national parliaments on which—in most countries of the Community at any rate—their position ultimately and constitutionally depends; and secondly a responsibility, in a form yet to be perfected by procedures yet to be devised, to the European Parliament for those subjects in which common policies and common practices are prescribed.

Our task in this matter is also two-fold, our work in the context of the evolution of the best relationship with the Council to ensure that its decision-making processes are democratically based, and our work to respect the role of national parliaments and to cooperate with them to the same end.

Above all, we should seek to ensure that there is no gap in the democratic responsibility of the Council, no void, no area which escapes alike the democratic supervision of national parliaments and the European Parliament. There is, therefore, room and need for cooperation between the European Parliament and national parliaments to assist in the evolution of the decision-making procedure of the Council.

I conclude by repeating a hope already expressed. We have here the paradox that under the Treaties the Council and the Commission are

Sir Derek Walker-Smith

legislative bodies and the European Parliament is not. We have the second paradox that the Council carries on its legislative processes, normally a public function, in secret.

At the June part-session I asked that as much as possible of the proceedings of the Council should be conducted in public and the then President did not close the door. I hope that the new President, whom I also welcome here, will be able to take this a step further when he replies.

I gave as a topical advantage of this the opportunity that it would give to consumers in the nine Member States to have a first hand close-up view of some of the anomalies and absurdities of the present working of the common agricultural policy. That in turn would expedite the decision of the Council for its review and drastic revision in response to the democratic opinions of the countries it represents.

I add one further brief example, the Council's discussion on the directives leading to decisions on the permitted weights, again a matter of direct personal concern and, indeed, natural apprehension to millions of citizens in the nine Member States.

Let these deliberations of the Council be public so that the Council may respond to the views and anxieties of the millions it represents and at the same time improve the content and democratic base of its decisions.

I believe that as Members of this Parliament and of our national parliaments we should do all in our power to make the decision-making procedures of the Council as prompt, punctual, positive and wherever possible public as possible and, in any event, soundly and democratically based. I hope that when the Council resumes its consideration of this matter on 24 July and, indeed, when the President replies today, we in Parliament will hear words of encouragement.

President. — I call Mr Dich.

Mr Dich. — (DK) Mr President, ladies and gentlemen, unlike the other speakers who have addressed the President of the Council, I am not sure that I feel the urge to welcome him to this particular post. But perhaps I can congratulate the new President on the capacity he has already shown for expressing himself with the confusing vagueness which seems to be calculated to arouse as little discussion as possible in this and in other European assemblies.

What makes me take the floor is my doubt as to whether this is sufficient, either for the European Parliament or for the Danish public,

which will surely be interested in what Mr Nørgaard is now saying here in his capacity as the President of the Council, and whether it corresponds to what Mr Nørgaard says at home in his capacity as Economics Minister.

In this connection I would like to be allowed to quote what Mr Nørgaard said about this particular problem during the debate which we had in the Danish Folketing on 16 May 1973. On that occasion Mr Nørgaard said that these problems, that is, cooperation in stage 2, should, from Denmark's point of view, centre on the development of economic and monetary cooperation, where this could be carried out without special institutional changes under the treaty. A discussion of the institutional problems connected with economic and monetary union would, from a Danish point of view, be most appropriate if it were linked with a discussion of the Community's future, which according to the section on European Union in the declaration of the Summit will be foreseeable in the report to be presented by the end of 1975.

I should naturally be very glad if Mr Nørgaard kept to the Danish point of view that a solution to these problems can quite well wait; but I feel that Mr Nørgaard owes both Parliament and the Danish public a more precise explanation of what his intentions are, in his capacity as President of the Council, and of what, in his capacity as Danish Economics Minister, he wants us at home to think his intentions are.

President. — I call Mr Nørgaard.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) In reply to Lord Gladwyn, I should like to say that I, too, deeply regret that we did not manage to finish dealing with the question at the June meeting of the Council, and that we were therefore unable to meet the date set in the summit declaration. This is regrettable. I share his regret.

I should also like to say that, as far as I know, this is the first time a schedule of the declaration of the summit has not been kept to, and I stress that it is regrettable that we could not manage to do so. It is perhaps a consolation that the matter continued to be dealt with, and continues to be dealt with, in discussions between governments. I have personally discussed this question with the representatives of the governments of several other countries, since I consider this question to be of special importance. I also know that not only myself, but also ministers of other countries have had more extensive suggestions than those from the Permanent Representatives Committee.

Nørgaard

Therefore the postponement of discussions will certainly not mean that there will be fewer reforms, but rather that there will be agreement on more extensive reforms—and I stress this. In this connection it also means that we can take into consideration during further discussions the viewpoints put forward here today. I shall naturally pass on the points of view which have been put forward here in Parliament.

I clearly cannot state what the result of the discussions will be, but I can say that most of the subjects which have been mentioned here are subjects which have also been raised by government representatives. Many of them are subjects which I also feel, as Danish representative, to be of considerable importance, and which we feel must be resolved.

In Denmark's case, it is true that right from the start we had to construct a special procedure to ensure that the Danish Parliament had detailed influence on the mandate which I, as a Minister, will have in Brussels. This means that we are particularly interested in improving the procedure for the Council's discussions in such a way as to ensure that national parliaments at home have sufficient time to deal with the problems before we start and express governments 'and countries' points of view on matters.

In reply to Mr Dich, I should like to say that I do of course express the same points of view when I talk about the position of the Danish government, whether I am in Copenhagen, Strasbourg or Luxembourg. But the Danish government's position is not necessarily what is decided by all members of the Danish government, and therefore I can only state today what has been settled for forthcoming negotiations.

I shall then very gladly come back to Parliament as President of the Council and give an account of the decision-making process. Of course, I cannot promise anything in advance about the outcome, but I hope that as far as possible there will be agreement with the wishes I can put forward as Danish representative.

I can see no contradiction whatsoever between what I said before the Danish Parliament, as quoted by Mr Dich, and the attitude we have towards practical progress where the procedure of the Council's business is concerned.

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

Mr Patijn. — (NL) Mr President, I thank the President-in-Office of the Council for his

explanation, but I am unable to thank him for his answer. This is because he has not answered my question. As I do not wish to waste any more of the Parliament's time I shall simply repeat my question. Can Mr Nørgaard give some indication of the subjects which are discussed in the Council?

What he has said is that proposals are made by the Permanent Representatives. That surprises me since the latter are not able to make proposals. The Permanent Representatives are charged by the Council with preparing certain matters for subsequent discussion in the Council. There are also proposals from Member States. Mr Nørgaard, speaking as a Dane, said that he found certain matters important. What then does the Council talk about? I cannot imagine that the Council is meeting on 24 July in order to deliberate on what it should talk about. What items are on the Council's agenda? Is the President-in-Office of the Council unable to give any indication of these items? If he only lists ten items in ten seconds I shall be content.

President. — I call Mr Nørgaard.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) As I said, the matter was not dealt with on the agenda of the last meeting of the Council in June. Therefore I cannot tell you about the discussion, as no discussion on this topic took place, but this has been discussed under the Belgian Presidency, when a number of things were prepared, which again were discussed with the Permanent Representatives, who again discussed it in their capitals, that is with the governments, in the preparatory stages. It is in this way that national viewpoints are formulated and one hears from the Permanent Representatives the viewpoints of other countries, and so one forms one's own viewpoints for the meetings between Ministers. And I have noticed there that virtually all the subjects mentioned by members here in Parliament—those who have taken the floor—are also subjects which have been discussed by the Ministers, and there are indeed more subjects than those which have been mentioned here, which have been discussed by the Ministers and the Permanent Representatives. However, it may perhaps be more practical for me to return to this matter when we have had a definitive debate in the Council with contributions from individual nations and responsible contributions from the Ministers, and a review. This is what I recommend.

President. — Thank you, Mr Nørgaard. This item is closed.

President

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

The House will rise.

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

IN THE CHAIR: MR BEHRENDT

Vice-President

President. — The sitting is resumed.

17. *Change in agenda*

President. — The Committee on Public Health and the Environment has asked that the following two reports, on the agenda for Friday, 6 July, be withdrawn from the agenda for this part-session:

- report by Mr Bro on pressure vessels and seamless gas cylinders;
- report by Mr Brégégère on natural yeasts and yeast residues.

Are there any objections?

That is agreed.

18. *Statement by Mr Scarascia Mugnozza on action taken by the Commission on texts adopted by Parliament*

President. — The next item is a statement by Mr Scarascia Mugnozza on action taken by the Commission pursuant to the texts adopted by Parliament at its part-session of June 1973.

I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, ladies and gentlemen, I have the honour to follow today for the first time—it is probably only an experiment, but that will be for you yourselves to decide—the procedure proposed by the Commission and promulgated in the document on practical measures for strengthening the powers of the European Parliament.

In the Commission's view, the opinions and the wishes of the European Parliament, having been accepted, should be transformed into amendments to the documents forwarded by the Commission to the Council. The Assembly will be kept regularly informed of this in the part-

session immediately after the one in which Parliament has given its opinion.

Therefore I have the honour today to tell you that, immediately after Parliament's part-session of 4-7 June, the Commission examined all the documents voted on by the Assembly. Having obtained an overall picture of the debates in this chamber in June, I have been able to ascertain that on many points my colleagues gave exhaustive replies to the questions raised by the members and expressed views on various points in the resolutions put to the vote. This is in keeping with the obligations assumed by the Commission and with the legitimate aspirations of the Assembly.

On these points therefore there is no need for further discussions. The Commission has already accepted the opinions and the wishes of Parliament. On a lesser number of points which have been put back for further consideration, I should like to give you some further information and to indicate to you the results of studies initiated by us immediately after the June part-session.

With regard to Parliament's resolution and Mr Bermiani's report on the approximation of legislations on the type-approval of mopeds, I can state that we have initiated a thorough study of the problems raised by you. The Commission will present before autumn a proposal for an amendment extending the field of application of this directive to mopeds driven by electric motors, unless it becomes clear that it is necessary to draw up a separate proposal for a directive, in which case this would be done without delay.

In any case the Commission will draw up a proposal for an amendment before the next part-session of the European Parliament to take account of the amendments presented by this Assembly and of the opinion of the Economic and Social Committee, which was delivered only at the end of June. Finally the Commission, associating itself with Parliament's opinion, considers it necessary to tackle and solve the problems raised by the noise factor in mopeds. In line with the timetable for the elimination of technical obstacles to trade, laid down in the document on industrial policy, and with the programme on environmental policy, the Commission will present by 31 December 1974 a proposal for a directive which will take account of the needs of environmental protection.

With regard to the resolution contained in Miss Lulling's report on a directive for the approximation of legislations on fertilizers, I am now in a position to add to the information given by Mr Lardinois: the Commission, on the invitation of

Scarascia Mugnozza

Parliament, is at present studying measures to be taken to reach agreement on a uniform criterion for evaluating Thomas slag. Unfortunately, however, much theoretical and experimental work will be called for in determining this criterion; according to present forecasts, it will take at least four years. Studies carried out by the Commission on procedures for taking samples and methods of analyzing them, have already reached an advanced stage. When the directive is approved the relevant technical annexes will be forwarded to the Council.

With regard to Parliament's amendments to the proposal for a directive on fertilizers, the Commission will present a proposal for an amendment before the Assembly's next part-session.

Furthermore, with regard to Oral Question No 26 by Mr Normanton on cruelty to animals, I can say by way of addition to the statement already made by my colleague Mr Lardinois that a letter has been sent to Member States inviting them to ratify as soon as possible the convention of the Council of Europe.

The Commission will not fail to inform Parliament, towards the end of the year, of the results of its intervention.

With regard to the resolution and Mr Frehsee's report on a directive extending the time limit for implementation of the reform of agricultural structures, I can inform you that the Commission is at present preparing a report on the implementation of the directives on structures in the Member States. This report will be forwarded to Parliament before 1 August.

Finally, I should like to clarify some additional points on trans-Alpine traffic.

As I have already indicated, the Commission will continue to examine the infrastructure problems in trans-Alpine communications. Any action in this sector, in accordance with the wishes expressed by Parliament, must however be subject to an extension of the consultation procedures set up by Council's decision of 28 February 1966. The Commission will not fail to present to the Council a proposal for a decision along these lines.

With these words, Mr President, I have tried to fill in the gaps in the information given to Parliament. Taking them in conjunction with the views clearly expressed by my colleagues and myself personally during the last part-session, Parliament must now be fully informed on the initiatives taken by us since the last part-session.

I hope that in future, by means of reports such as the one which the Commission's President and I myself will have the honour to give at

the beginning of every part-session, it will be possible to keep you informed of the amended proposals by means of which your amendments are couched in legal terms.

As I have already said, the Commission considers that, in the interests of better relations between the Assembly and itself and in order to give the Assembly the political weight which is its due, the amended proposal in accordance with Article 149, paragraph 2, of the Treaty is the most suitable way for the Commission to ally itself with the amendments proposed by Parliament. In future, as a matter of fact, the institution to which I belong will try to make the maximum use of this possibility.

President. — Thank you, Mr Scarascia Mugnozza.

I call Mr Broeks.

Mr Broeks. — (NL) Mr President, the communications by Mr Scarascia Mugnozza are undoubtedly important, especially for all those who have discussed reports during the past month and have now been able to hear what the Commission has done with them. I presume that this important method of discussing the wishes of the Parliament will now become a permanent item on the agenda every month when Parliament meets.

Mr Scarascia Mugnozza said that these communications would be made at the beginning of the part-sessions. I consider it important not only that these communications should be expressly included as an item on the agenda, but I would also consider it an especially good idea if we were given the text of the statement to be read by or on behalf of the President of the Commission one or two days beforehand so that we are more capable of assessing what has been done with the various reports.

Mr President, I would be most grateful if you could take up consultations in this vein with the Commission. I would also be most grateful if the Bureau could investigate whether this could be made a separate item on the agenda so that everyone may know what matters are being discussed here. I repeat that it is very important for the Parliament to know what the Commission has done with its reports.

President. — I shall put this suggestion to the Bureau. We shall then decide.

I call Lord O'Hagan.

Lord O'Hagan. — I too, have been interested in what we have heard. Will the regular account

Lord O'Hagan

given by the President or Vice-President of the Commission about the attitude which the Commission has taken to views of Parliament include undertakings given by Commissioners to Members during debates in this House?

For example, I was given an undertaking on 11 May by Mr Lardinois about a point which he said he would raise in the forthcoming Council of Agricultural Ministers. The only way I have of finding out in writing whether this undertaking was honoured, and if so how, is by putting down oral questions, and there are naturally delays. May I submit this sort of point during one of the periods when the Commissioner reports on progress during each of the part-sessions from now on? Will this be taken into account?

President. — This point also will be discussed by the Bureau.

I really would like to move on to the next item, but I see that the President of the Council has not yet arrived. He has been busy since 2.30 p.m. reporting to the Committee on External Economic Relations on trade relations with Yugoslavia.

I am told he will be here in a moment. I therefore propose that the sitting be suspended for a few minutes.

The sitting is suspended.

(The sitting was suspended at 3.15 p.m. and resumed at 3.20 p.m.)

President. — The sitting is resumed.

19. Oral Question No 47/73 with debate on movement towards European Union

President. — The next item is Oral Question No 47/73 with debate by Sir John Peel, on behalf of the European Conservative Group, to the Council of the European Communities on movement towards European Union.

The question is worded as follows:

What steps do the Member Governments of the Community intend to take to achieve the aim, set out in Paragraph 7 of the first part of the Final Declaration published at the Paris Summit Conference of October 1972, of transforming, before the end of the present decade, the whole of their relations into a European union?

I would remind the House that the provisions applicable to this item are those of Rule 47 (3) of the Rules of Procedure, which I indicated in connection with Oral Question No 48/73.

I call Sir John Peel to speak to the question.

Sir John Peel. — Thank you, Mr President. To reassure my colleagues, I shall not keep them for 20 minutes.

In warmly welcoming the new President-in-Office of the Council of Ministers, I beg to submit my oral question No 47/73 and, in doing so, to invite attention to a misprint in the second line, which should read 'paragraph 16', not 'paragraph 7'.

Members of this Parliament were very encouraged by the declaration made at the summit conference in Paris last October when the Heads of State and of Government declared that their aim was to construct a European union by 1980 at the latest. Unfortunately, we are already beginning to see target dates slipping.

We were also encouraged by the instruction given by the Heads of State to the institutions of the Community to submit to them a report by the end of 1975 with a view to a further Summit Conference.

The Parliament has already responded to this invitation through the general report by Mr Seefeld, which called upon the Joint Committee of the Parliament to propose a joint procedure by which the Community institutions could fulfil this obligation. I am not so sure that the Heads of State have really done enough in defining the nature and form of the European union which is to be achieved. The phrase is fine. The trouble is that the clarion call to the members of Europe might be a signal to advance, or it could equally well be a political last post symbolizing the end of our dreams.

After all, my colleagues know well that we have already had Western European Union for a good number of years. I hope that our leaders are not proposing that the European union to which they mean Union has been.

It is all very well to speak of a European union refer should be as restricted as Western European relations between the Member States of the Community, but there is a world of difference between transforming these relations into a political union with a European Government and a directly elected Parliament and transforming them into a mere system of inter-governmental cooperation centred around the customs and, hopefully, the economic union of the Nine, but which in other spheres of vital importance relies on non-Community institutions of a purely inter-governmental nature.

This would certainly not be a transformation.

To my mind, the Heads of State and of Government ought to have told us clearly at their

Sir John Peel

Paris Summit that the European union to be achieved should be political in nature and that activities within its framework should be conducted by Community institutions responsible to a directly elected Parliament. This they did not do. This very fact leads me to think that there was an element of disagreement between the Heads of State in their deliberations concerning their aims. It would be particularly unfortunate if hesitations and doubts on the part of the governments of Member States were to lead to a failure to move forward on a Community basis in the fields of foreign policy and defence. At present the Davignon Committee does valuable work, but it must be remembered that that committee is not a Community institution. It is an informal inter-governmental grouping directly and solely responsible to the national Ministers for whom it works.

Many pressing problems of vital importance for the future of Europe are building up on the international agenda. I think in particular of the need to negotiate with the United States about the maintenance of both American force levels in Western Europe and the United States defence commitment to Europe, and I think, too, of the need for the European Community to develop a political strategy governing its relations with the Soviet Union and with the countries of Comecon and the Warsaw Pact, a strategy which could provide a framework for individual sets of trade negotiations with the state-trading countries. Europe, too, needs to organize its defence within the framework of the North Atlantic Alliance, which of course should remain paramount in questions of strategy and nuclear policy. Europe should do this so that at a time of rapidly rising costs both for manpower and for equipment it can extract the maximum possible defence posture from defence budgets which are shrinking in real terms. And it needs to organize its own defence so as to improve the collective European contribution to the Atlantic Alliance and to impress upon the American Administration and Congress that Europe is bearing a fair share of collective defence effort.

Efforts are also being made in the Euro-Group and in Western European Union to do more in this direction, but if we are to reach the goal set by the Heads of State of forming a European Union, efforts of this kind must be harnessed within the Community framework at some stage. Likewise, the first attempt to achieve political cooperation within the Davignon Committee must also be placed within a Community framework. Unless appropriate action is taken we shall certainly fail to transform the relations between our Member States in two vital sectors and the so-called European union, embracing the whole complex of inter-State relations, the stated goal

laid down by the Heads of State, will then be very far from complete. I hope that we shall before long receive some indications of the thinking of the Council about progress to be made in these two fields which are not as yet within the competence of our Community.

As far as political union is concerned, the second Davignon report, alas, is overdue. I hope that this report will not be unduly delayed. It was originally expected at the end of June and I understand that we are not now likely to hear about it until September or October. I hope that when presented it will advocate steps destined to take the Community at least some distance towards the transformation of foreign policy relations between the Member States in the near future.

President. — I call Mr Nørgaard to answer the question.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) The goal which the Heads of State and Government set themselves at the Paris Summit is described in point 7 of the first part of the declaration published at the end of the Conference, but it is described in more detail in point 16 of the second part, which reads:

'The Heads of State or Government, having set themselves the major objective of transforming, before the end of the present decade and with the fullest respect for the Treaties already signed, the whole complex of the relations of Member States into a European Union, request the institutions of the Community to draw up a report on this subject before the end of 1975 for submission to a later Summit Conference.'

This means, then, that the Heads of State and Government have themselves laid down the limit for the first stage on the road towards so called European Union, that is to say, the end of 1975. They have charged the institutions of the Community with the elaboration of a report within this period, which is to be submitted to a later Summit Conference. All this follows from point 16, which I have quoted.

It is the Council's intention to discuss the content of this report and the procedure by which it should be implemented.

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

Mr Schwörer. — (D) Mr President, Ladies and Gentlemen, Sir John Peel's question comes against a background of immediate concern to us all. I believe we should try to throw a little light on this background.

Schwörer

The Conference of Foreign Ministers at present beginning in Helsinki is of particular importance for us Europeans. Some of the opinions voiced have not been exactly hopeful. I am thinking in particular of a statement which appeared today in a German newspaper: 'Europe is holding a Conference, the purpose of which is increasingly being determined by Moscow. The Soviet Union wants to introduce her concept of Pan-European coexistence in the West and to accustom western Europeans to the idea of cooperation with Moscow.'

In this situation I believe we have a duty to ask ourselves the question which Sir John Peel has just formulated. We must ask ourselves whether we are ready, as Europeans, collectively to follow up this important Conference. Whether we are ready, instead of indulging in wishful thinking, to examine critically the true intentions of important partners at this Conference. Whether we are ready to assess not only the outward behaviour, but also the often declared aims of the leading personalities, particularly of the Eastern bloc, and to give a collective answer to them.

A very important question in this connection is: What is the purpose behind the 'Permanent European Organ' provided for here? Will this organ be an instrument for impeding progress towards European unity? Will it give the Soviet Union the right to a voice in European affairs and will this 'Permanent Organ' mean interference by a stronger partner in the affairs of the weaker European States?

We should all recognize this possible danger and do everything we can to ensure that it does not arise or, if it has already arisen, to eliminate it.

A further question also springs to mind; how determined are the European Governments to achieve at this Conference freedom of movement for people, the free exchange of ideas, unimpeded travel, the freedom to adopt a new home, and the freedom to choose a place of work etc? It seems clear to me that the other side will not grant concessions overnight and may perhaps not even be in a position to grant any. It is my firm belief, however, that the European States should insist on giving priority to the long term achievement of human rights, particularly freedom of movement and the free exchange of ideas and information, and that all other agreements should be made dependent on these ideals. The communiqué issued today on the mandates of the Conference unfortunately reveals only a very modest programme for the opening up of the Eastern Bloc. Nevertheless, despite the fierce resistance of the Eastern Bloc, the theme of human rights is

on the Helsinki agenda. What is important now is that the European Governments should not enter into any other European agreements without agreements in the field of human rights. Millions of people in the Eastern Bloc, to whom freedom and self-determination are just as dear as they are to us, are fervently hoping for a relaxation in the field of human freedom. And we Europeans should not desert the other Europeans who are not free.

With respect to the Conference which has just begun, Mr President, I welcome this question from our British colleague and his urge for progress towards political unity. The peoples of Europe have no time for large conferences at which, as was reported in a German newspaper a few days ago, 'People talk at cross purposes for 2 days and, because there is no possibility of arriving at an understanding, philosophize about 1980'. Finally, we should strive to achieve real progress so that we are ready at the outset to meet the dangers which could arise from the Helsinki Conference and threaten our European unity.

The speedy achievement of European political union could dispel these anxieties. It is to be desired that the national governments of the European Communities should become aware of their responsibility at this decisive hour and then act.

President. — I call Mr Broeksz on behalf of the Socialist Group.

Mr Broeksz. — (NL) Mr President, when I read Sir John Peel's question, I recalled the story of a little boy who found a birds' nest in a letter-box. When the eggs had been laid he went along the next day to see whether they had hatched.

I was reminded of this story when questions were asked about the European Union which should come into being in 1980. When I then also read that it referred to section 7 of the Paris Communiqué I was startled. I had prepared myself for a discussion about the question of whether the industrial, scientific and technological policy announced in that paragraph was to be equated with the European Union. Meanwhile I have luckily heard that there was a printing error and that it refers not to section 7 but to section 16 of the Communiqué. I find this especially fortunate, since we would otherwise have got into great difficulties.

It is of course possible that we shall now become engrossed in the question of what form the European Union is going to take. It would be possible to make the most optimistic or pessimistic noises. To be honest, our Group feels

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no need whatsoever for either the one or the other. The main thing for us is that in the near future not only the Member States but also the other institutions of the Community, in particular the Parliament, should give active consideration to the matter. They should all be allowed to shed their own particular light on the matter.

We have the feeling that the Council and in particular the Member States are all brooding over the question of what form the European Union shall take. We also feel to a certain extent, that we should not disturb the brooding hen.

In view of the remarks by Sir John Peel and Mr Schwörer, I have to say that I am not in agreement with either of them. I do not know what form the Union will take. This depends on political developments before 1980. Listening to Mr Schwörer I get the feeling that we are becoming more involved at the present time with German domestic politics than with the matters that are in fact on the agenda here. It is certainly not true that the outcome of the Helsinki Conference—and nobody knows what this is going to be—will have a great influence on the European Union as it will be in 1980. Therefore I have no desire to enter into a discussion with Mr Schwörer about the question of whether the matters he outlined will really be discussed at the Helsinki Conference. I find I am far from sharing his opinion but that probably is due to the fact I am not so well acquainted with the German domestic situation.

The main thing for us is that we should be told once again by the Council that they are prepared to involve not only the Commission but also the Parliament in their proposals for the establishment of the European Union. If we are given this assurance and if the Council states—and I would be glad to see it do so—that it will submit its plans to a new summit conference before 1975, preceded by collaboration with and between the Commission and the Parliament, then we shall be content for the time being.

President. — I call Lord Gladwyn on behalf of the Liberal and Allies Group.

Lord Gladwyn. — I suppose we could all agree—and to that extent I have some sympathy with what Mr Broeksz has said—that, the steps the governments of the Member States of the Community should immediately take to achieve the aim of a political union in 1980 would be the sort of steps we were discussing on the previous question; in other words, progress in the direction of qualified majority voting or some means

whereby the Council would take decisions, as a result of a definite timetable, on Commission reports and also, I would add, some progress in the general direction suggested by my colleague Sir John Peel—in what is generally known as the sphere of the 'Davignon' organization.

Western European Union has said for years and years, Parliamentarians generally have said for years and years and I myself, for what it is worth, have been saying for years and years, that one will never make any progress towards political union—by which I mean any kind of harmonization of foreign policy or, indeed, of defence policy unless there is some kind of institution in which these things can at least be considered, equivalent to the Commission on the economic side.

It seems to me—and I think this is almost a truism, almost a *vérité de La Palice*—that until such a situation is reached, until the Ministers can bring themselves to form such an institution, albeit on a small scale to begin with, Europe will simply remain a geographical expression and even a very dangerous geographical expression because no one knows when using the word 'Europe' what he means by it. For instance, does Europe mean the European Economic Community or a mere geographical entity?

As I see it, the only way this idea of union can be formed, the only way to arrive at a real definition of it, is to form a body in which the idea of political union can at least be discussed and, if possible, organized. I therefore agree very much with what my colleague, Sir John Peel has said.

But I should like to go a little further. Perhaps the Minister will be able to say in his personal capacity as Economic Relations Minister for Denmark and without committing his colleagues whether he agrees with me. Is it not possible for the Minister in the fairly near future to consider the long term problem of unity and even to ask for a specialized report either from the Committee of Permanent Representatives or from a specially designated committee of experts on the broad nature of the union which it is intended to set up in getting on for only six years from now? Do they think that it will be possible in such a short time to arrive at a federation in the conventional sense, which, presumably, will mean a more or less sovereign Parliament directly elected from all over Europe by the same procedures, together with either a president directly elected or conceivably a prime minister drawn from the ranks of this Assembly with the Ministers of the Commission being transformed, as many federalists would wish,

Lord Gladwyn

into the Government of Europe which would be at the disposal of the president or prime minister? Or, indeed as I understand the strict federalist theory, with the Council of Ministers being transformed into a senate on the American model? I do not know whether it would be a question of two senators for Luxembourg and two senators for Germany — probably not. No doubt the whole of Western Europe would perhaps be divided up into 50 regions, with two senators from each, thereby abolishing the nation state altogether, in only six years from now.

No doubt that would be logically desirable. Many people might think that it was the thing to aim for. Is it conceivable that the Ministers will agree with such an objective in such a short time — such a *terminus ad quem*? Is that the objective to which we are working? If they do not think that, might they agree among themselves that something less ambitious is possible, namely, a union indeed but with the Ministers remaining the power centre — the Government of Europe — assisted by an independent Commission and with Parliament having, not constituent or sovereign powers, but the great negative powers of accepting or rejecting by certain qualified majorities the position of the Ministers? Under that sort of scheme, you would not have a Government of Europe based on a directly elected Assembly, but you would have a union of a new type which might be expected to work.

Those are two possible schemes, but one seems to be very different from the other. The second which I have described very broadly might be thought to be more practicable as something to be aimed at as early as 1980. Here I disagree with Mr Broeks: it is time to think of these things. It is time that the Ministers, perhaps in the next year or so, should make up their minds about what they want, and if they obtained a report of their own — perhaps a confidential report which would not be published — could they not discuss it frankly with the President of the Assembly, with the President of the Commission and, I dare say, with the President of the Court? By that means we might, with luck, attain a consensus about the nature of the organization which we are trying to achieve.

I have no time to elaborate on the matter now. I have simply thrown out a few ideas. I hope in any case that the Ministers will take to the idea of at least setting up an unofficial machine and be prepared to consider these great long term issues and, in the long run, to discuss them frankly with the Parliament, which may or may not have other ideas of its own.

President. — I call Mr Dich.

Mr Dich. — (DK) Mr President, ladies and gentlemen. I was greatly interested to hear the intervention by Sir John Peel—greatly interested, because Sir John Peel described very precisely indeed a Europe which we Danes who opposed Danish entry feared might come into being.

It was considerably more precise than the description given by the Danish Minister, Mr Anker Jørgensen, when he came back from the Summit in Paris and was asked in the Danish Folketing's Common Market Committee what was meant by 'a European Union' in the declaration of the Summit. He answered that he had looked it up in a dictionary, and that it meant 'association' or 'a whole resulting from combination of parts or members'.

It is also considerably more precise than the very vague turn of phrase found in the rest of the declaration of the Summit, and it is considerably more precise than the description of the Europe which the Danish pro-marketeters wanted the Danish population to approve in the plebiscite which was held on 2 October in Denmark. It is a Europe which is quite different from that depicted for the Danish population, which is thus the Europe which Mr Nørgaard, as the representative of the Danish Government, and the majority of Danes here in the Chamber have a mandate to work for.

This is a Europe without any political union. A Europe without any common foreign policy. A Europe without any common defence policy and which is, moreover,— which surely must interest this Assembly—a Europe in which more power will certainly not be given to the European Parliament.

But now to-day we have the very precise description by Sir John Peel of how the Europe we feared could come into being. It corresponds very closely to the misgivings we had before 2 October, and I believe that this may be the time to draw attention to the fact that the Danish Government was not given any mandate by the Danish people to work for such a policy in the Council and in the other institutions of the Community—not even by that section of the Danish population which voted affirmatively on 2 October, confident that it was a question of the much more restricted Europe with certain restricted economic powers that was described by the pro-marketeters in Denmark.

I thank Sir John Peel for confirming what is actually being sought.

President. — I call Lord O'Hagan.

Lord O'Hagan. — I should like to make one or two critical comments about the Council, but not quite in the spirit of my friend Mr Dich.

I welcome the question by Sir John Peel. I confess that I, even less than other Members of the Assembly, have no concrete idea as to what European Union is, may be, or could be. However, it occurs to me to wonder that when the Ministers of the Member States come together, if they ever do, on some compromise about what it should be, it will be put into practice by the three institutions of the Community.

I think that, looking ahead perhaps in the too long term, we should reflect whether the European Union that finally emerges, after what may be protracted birth pangs, will truly represent the needs of the peoples of Europe, because of the present framework of the institutions of the Community which will be its midwives.

Therefore, I should like to pose some questions which we should bear in mind when attacking or supporting our governments at home and speaking here as to the new balance between the powers of the institutions that we should seek to achieve, first, when we are attempting to work out what European Union should be, and, secondly, when we are trying to put that ideal into practice.

It strikes me that as the Community will take away more of the powers of the governments of our Member States we should become increasingly aware of the dangers of the remoteness that our institutions have in their effects on the peoples of the Member States. If at this moment in Denmark or in the United Kingdom there is widespread dissatisfaction and a disbelief in the future of the Community as something that will serve everybody, surely, as we move to European union, these worries and fears will grow unless we take steps now and start to give the peoples of Europe some access to our institutions.

One obvious way would be by direct elections. If I were to go when they came, I should be delighted because it would be good for Europe. But in the interim we must make the Council of Ministers—this is where I follow Mr Dich—better known and more accountable to the peoples of the Member States on whose behalf it allegedly acts.

For example, if it were generally realized amongst the peoples in the Community that those who were trying to articulate some form of European union conducted their business in the slow, congested, labyrinthine manner that they do, with this absurd system of 150 people

present at Council meetings and Members from each country scurrying out to brief their national press, surely it would come to be understood that this was not the kind of organ that we could trust to build a European union which would stand for the interests of all.

Therefore, when we are talking about European union we must start by asking whether we can be satisfied with the system for decision-making at the top that we have at present. We must revert to the debate that we had this morning and ask: how can these people be made more accountable so that they do something which, in terms of European union, is satisfying for us all?

I understand that the new President of the Council has a difficult job, so soon after taking office, in making anything more than the anodyne answer that he has so far given in this debate. But how can we be expected to answer the peoples in the Community if they ask us, 'What does the Council say?' when the answer that comes from the Council is nothing, negative or vague?

Surely we cannot expect people to trust the future of the Community if its procedures are so manifestly absurd.

I hope that when the President of the Council replies he will draw a very strong link between two factors — on the one hand, stabilizing and making more coherent and rational the present procedures of the Council and getting rid of some of the burdens which obviously it cannot carry on to other institutions and, on the other hand, the evolution of a European union which may come one day, whatever form it may take and whenever it may come.

I hope that I have not struck a discordant note, but there were criticisms by Mr Broeks who said that it was too soon to start thinking about this problem. I emphasise that the problem is already with us and that the tools which we have are not good enough. Unless we start to equip ourselves with new and better tools we shall not be able to solve this and many other problems in the years ahead.

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, ladies and gentlemen, I shall be very brief. I had welcomed this question and had hoped that the Council, especially as it is represented by a new member, would deal with it in detail and present it in something of a new dimension. I must say that the statement offered to this Parliament by the highly respected representative of the Council is just not good enough. Do you think we

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cannot read? Do you think we do not know the text of the Summit Declaration? After all, we did put this question in the hope of at last getting a political statement on this issue. Even if I regard the Council as politically neutral on such issues—and I am being very careful here—it is quite improper to dodge a political discussion in this way when questions are put in this House.

I am very pleased that Lord Gladwyn has at least presented his point of view. I should not like either our own opinion or Lord Gladwyn's or Lord O'Hagan's to be represented as the only valid one. However, such an attempt to brush aside issues relating to the very existence of this Continent mark a lack of proper regard for this Parliament. Many a parliamentarian will wonder whether he can discharge his mandate in a responsible manner in the face of the Council's deplorable attitude.

To Mr Broeks I should like to say this: Of course these are matters which affect our existence. Perhaps you may be right; indeed, I should like to think that you are right. I only fear, and there are others who share this fear, that Mr Brezhnev will one day take up your thesis in a manner that will please neither of us. I really do believe it is time for these vital questions to be discussed calmly and factually instead of being swept aside in this way.

(Applause)

President. — I call Mr Petersen.

Mr Petersen. — *(DK)* Mr President. This is no doubt one of many debates we shall have in this Parliament about the meaning of the concept of political union. A political union may embrace a varying number of aspects of government. As far as I can see it is possible to create unions of various types and of differing degrees of intensity depending on our ultimate aims.

It is possible to define three main types or solutions to the problem.

The first would be based on the Community remaining a federation, a union with fairly loose links between the Member States, except for well-defined areas of joint decision. The central government of such a union would then have to restrict itself to these particular areas.

Another possible development is that the Community could become a federal state with some integration of the national states, common legislation and a highly centralized government. A third conceivable line of development is that the Community could become a group of states with new structural forms based on thorough-

going decentralization. It is a long time until 1980 and much may happen in our Community before then, so this development is also imaginable.

If we choose the second type, i.e. some measure of integration we must accept all the attendant problems. The question before us now is that supposing this is a possibility, is it what we want?

We have, Mr President, often discussed the question of defence in this Parliament, and this subject has also been raised today. The Parliament has decided by a large majority that this topic may also be considered here. I accept the fact that this is the view of the members of this Parliament: but I would like to request the President-in-Office of the Council now if he would take the initiative in seeing to it that the many aspects which this subject embraces and the many problems which it raises should be thoroughly investigated.

In what way would a decision on joint defence within the Community affect the security conference which is now beginning? The conference is merely at the initial stage and will continue for several years. What relationship will there be between the desires expressed in this House and what happens at the security conference? How far will the conference go? What do we think about a joint nuclear force? If the Community has such a force what will the position be regarding non-dissemination agreements?

There are other aspects which I have no time to go into. I would simply like to suggest to the President-in-Office of the Council that what Parliament really requires when we discuss this subject—and discuss it not simply as wishful thinking—is extensive elucidation of the many questions which may come to light.

I would also like to say that, as far as I can see, there is no support at the present time among our people for the creation of a closely integrated union. There will, I believe, be a much greater popular understanding of the needs of the Community, and this applies not least to youth, than we have often thought in Parliament. It is indeed a fact that we do not have youth behind us in our endeavours—not to the requisite degree. Many young people view the Community with great scepticism as a huge bureaucracy and technocracy which is becoming isolated from world developments. If we are to obtain the full support of youth, and this applies to others besides the young, we must create a much clearer image of a European identity, a Europe striving for better quality of life, a Europe which will play a leading role in solving the many problems facing the world.

Petersen

I believe, Mr President, that the path before us is long, and that we must evaluate possibilities most realistically, and that we must work hard in our individual countries to arouse understanding for our common task. This is in any case imperative.

But I hope that we shall return to this subject time and again to discuss new information and material so that we may progress to greater understanding of the very great and very difficult problem represented by the concept of political union.

President. — I call Mr Corterier.

Mr Corterier. — (D) Mr President, in the first place I should like to make a few comments on Mr Schwörer's statement. From what was said by him and Mr Aigner on East-West relations, I have the impression that the developments of the last few months and years, the many agreements, conferences and talks, have left practically no mark upon them.

Mr Schwörer made much of his fears concerning the European Security Conference and its effects on West European unity. Of course, it is true that the European Security Conference was originally a Soviet idea, and that the Soviet Union has pursued certain objectives which may not necessarily coincide with the interests of the West. However, I believe that the time has gone when we could reject outright proposals from the Eastern bloc simply because we did not like the look of them. If we were to follow such a policy, we could hardly expect the East to take our own proposals seriously. It is well known that the West did not accept the European Security Conference until the East, for its part, had also accepted the Western idea of talks on simultaneous and balanced reductions of troops and armaments.

I think we must not lose sight of this connection. The course of the preliminary talks in Helsinki has not so far given substance to Mr Schwörer's fears. The West has achieved a great deal in these talks. Above all, the issue of free movement of men, opinions and ideas between East and West has become one of the principal themes of this conference, despite firm resistance on the part of the East. In this instance Western pressure has clearly prevailed.

Mr Schwörer went on to quote a press statement in support of his view that Soviet influence at the conference may already have become dominant. I think that this suggestion is quite unjustified. Anyone following the preliminary talks will have seen that the Soviet Union had considerable problems with its own allies, whereas the West was able to maintain

a clear and united position, chiefly because of the outstanding preparatory work performed by the Davignon Committee. The soundness of the Western position in Helsinki has also drawn towards it a large number of neutral states.

In the light of the above, it seems to me ridiculous to talk of Soviet dominance. Mr Schwörer went on to warn against the all-European body that might be demanded by the Soviet Union following the Security Conference.

Once again, it appears to me, the possible dangers have been exaggerated. In the first place, such an all-European body becomes feasible only if the Conference should succeed, in other words if it should lead to resolutions advantageous and acceptable to the West, for otherwise the West would undoubtedly reject them.

Secondly, such a body is only conceivable if the United States and Canada were also to become members. To my mind it would be a good thing if an additional link were forged between Europe and the two states of the North American continent.

Thirdly, any all-European body would have to act by unanimous decision. Its active existence would therefore presuppose agreement between everyone in the East and West.

Finally, Mr Schwörer also spoke of the danger of the European Security Conference leading to pan-European institutions which might come to replace all that we have created here in the way of West European integration. I cannot say that I see this danger any more than the others; after all, such pan-European institutions can never be an alternative to West European integration. I can scarcely imagine any member states of the EEC allowing themselves to be enticed by such an illusory alternative. We need only think of the considerable economic advantages enjoyed by EEC Member States. How could the Soviet Union possibly compensate for these advantages in these so-called pan-European institutions?

My feeling is, therefore, that such pan-European institutions can at most complement what we have built here in Western Europe, but can never replace it.

In contrast to Mr Schwörer's view, then, on the basis of the situation existing after the preliminary talks the Socialist group regards the European Security Conference as a real opportunity to reduce tension in Europe.

I do not consider that the Security Conference represents an acute danger for West European unity. If such a risk were to arise in the future, then it would be our task to avert it by ener-

Cortier

getically pursuing our efforts towards the political unification of Europe.

President. — I must draw Members' attention to the fact that the President of the Council has to leave at 5 p.m. I have four more speakers listed and we are still on an item which should have been closed around 1 p.m.

I would ask you accordingly to draw the necessary conclusions.

I call Mr Guldberg.

Mr Guldberg. — (DK) Mr President, my reason for speaking now is that I do not believe that the contents of the report of the sittings of this Parliament are unimportant. Otherwise it would be unnecessary to make any comment about the speech made by Mr Per Dich. Nor do I believe such comment is necessary for the sake of the other persons present in the House, but I do believe it is important for the report.

Mr Per Dich represents a Danish minority party which is opposed to Danish membership of the EEC. The anomaly is that Mr Per Dich also represents the political party which by virtue of its position controls the majority in the Danish Parliament, and that is why he can say what he has said here. This does not make Per Dich's statement here any the more correct.

It is not correct when he says that the Danish people gave their approval to European cooperation but not to a union—we did not give our consent to a union because no union existed at the time: we gave our consent to what did exist at the time.

It is not correct to say that either the Danish people or the Danish Parliament have come to a decision against extension of cooperation with other countries. We have seen that there was an overwhelming majority both in the Danish Parliament and the Danish people in favour of what there was at the time and its further extension.

With the control he has over the Danish Government and the majority he has behind him in the Danish Parliament Mr Per Dich can of course maintain that the Danish Government has no mandate for anything from Mr Per Dich, but the Danish Government, whose Minister is present not as a Danish minister but as President-in-Office of the Council and therefore should answer as such, knows in fact perfectly well, but cannot be expected to say so here, that it is thus not Mr Per Dich who determines what majority there is in the Danish Parliament for Danish Government policy with respect to the European question.

In connection with this comment, uttered principally for the purpose of the report, may I be permitted to make a single comment to Sir John Peel and the Conservative Group. I hope that my views will not be misconstrued or taken amiss. They are possibly the mark of the difficulty there can be in understanding each other fully when we are using different languages. But, as a convinced European and a new Member of this Parliament, albeit only as new or no newer than the English Members, I cannot rid myself of perpetual concern about what the English conservatives in fact want. If I am wrong I apologise, but I believe it is better to say this bluntly rather than leave it unsaid. It may be a language problem.

I have observed that when people say 'Non!' in French, they mean 'Non, je ne veux pas, je suis contre'. In English one says 'I wouldn't say no'. I myself think that in our debates about the Community's future many positive viewpoints are expressed by the British Conservative Group, representing unfortunately only one half of the British Parliament, about what lies ahead and is still obscure, but at the same time, and I may be mistaken, they are in my view amazingly critical of everything the six countries have achieved so far, of the part played by Parliament in European cooperation and of those very parts of the basis of that cooperation which extend beyond national interests. So we may therefore state—and this is also evident from the attitude of Sir John Peel and the British Group—that we desire further development of our cooperation, and it is important to remove all doubts in our discussions about what has already been established.

As regards the Commission, which for various reasons came in for ill treatment here this morning, I would like to point out that there are still some of us who look upon that Commission as the motor behind European cooperation and wish to see the Commission develop further cooperation between us and preserve and fight for the preservation of what we have already achieved. That must of course take place under increasing parliamentary control and the necessary adaptations must of course be made. But I hope it will be understood—and that we in the Parliament will also understand—that there should be a balance in that development, and there should be a development of parliamentary influence to the benefit of the results already obtained which are leading along the right path.

(Applause)

President. — I call Sir Douglas Dodds-Parker.

Sir Douglas Dodds-Parker. — I wish to intervene only briefly to support my friend, Sir John Peel, the colleague with whom for eight years since I returned to the Council of Europe I have worked closely not only in that Assembly but in Western European Union and the North Atlantic Assembly.

To answer Mr Guldberg, I should have thought that the aims—certainly my aims and I believe those of Sir John, though we speak only for ourselves on these occasions—are fairly straightforward. Twice in my lifetime one has seen Europe tearing our civilization to bits through civil wars between constituent nations of Europe. My personal aim is, by uniting Europe, to prevent further destruction of our civilization. That means political cooperation, defence cooperation and economic cooperation to support the first two. The ideas of Members of Parliament will clearly differ on how this is to be carried out.

I say to Mr Broeks, who rather incited me to rise, that I am certainly not watching somebody else lay an egg; I am asking this Assembly to consider laying an egg itself...

Mr Broeks. — That is what I ask.

Sir Douglas Dodds-Parker. — Good, then I am delighted. I did not understand you to say that. I hope that by making our views clear on an occasion such as this, we may put forward certain proposals which should help our constituent governments when going to a conference such as that at Helsinki to know the sort of action for which they will get wide and general parliamentary support, so that when they go back to their own constituent parliaments they will be able to call on support on the general lines in which we in Parliament believe.

I do not believe it will be too difficult to draft a resolution in fairly wide terms to give that kind of support to those who are gathering together at Helsinki to work out one side of *détente* in Europe.

I am one of those who, with my friend Mr Aigner, are doubtful still of the sincerity of the Soviet Union when one sees how since Czechoslovakia their forces have increased in size and how they have removed the word 'balanced' from MBFR before we could get agreement on the meeting to be held in Vienna. But I believe it is the top priority for the Commission, with Parliament, to put forward views to our constituent governments. If we so expressed our views

in this Assembly, they could then talk with greater confidence on behalf of Europe.

(*Applause*)

President. — I call Mr Aigner.

Mr Aigner. — (*D*) Mr President, ladies and gentlemen, I asked for leave to speak because I wanted to reply to Mr Corterier's remarks. First of all, may I make one comment?

It is true, Mr President, that this is an ad hoc debate which was not planned. But would you not agree that Parliament has always preferred to abandon the discussion of regulations on mustard, marmalade or taxes when questions like this are raised which really affect the existence of our continent? That was our viewpoint, and rightly so, and therefore we should not be upset if an ad hoc debate ensues unexpectedly and we go into the question in greater detail.

I think this debate should set an example to the Council. I noted what you said, Mr Corterier, and I am convinced that you believe in what you say, and that you are sincere in your attitude towards the policy that you are advocating. That is your right. But we too have the right to talk about our concern. Only when everyone expresses his concern, ...

Mr Fellermaier. — (*D*) Whom do you mean by 'we'?

Mr Aigner. — (*D*) When everyone expresses his concern! I was not using the royal 'we', Mr Fellermaier, I was speaking about us as parliamentarians.

I think, Mr Corterier, that one is justified in being concerned, when one sees all this. Please ask your Minister of Defence, Mr Leber, who knows more about the subject than any of us, why he is concerned. We know that the Soviet Union has been arming more in the last three or four years than ever before. Why? I am not of the opinion that the so-called Ostpolitik—although I have never regarded it as an Ostpolitik, in fact it seems to me more like Moscow's policy towards the west—is not positive. I would never be so presumptuous as to say that there are no positive aspects to this Ostpolitik. Of course there are. Anyone who wants to fish in troubled waters still puts a worm on the hook. That is obvious. Clearly there are aspects which are tempting. The only question is at what cost one is prepared to bite, and what would be the balance-sheet of such a policy.

And when I see that this power, which wanted the conference at Helsinki, and made every

Aigner

effort to participate in the conference, is at the same time doing all it can to bring its defence potential up to this scale, I think one is justified in voicing one's suspicion that possibly the purpose of the Helsinki conference is to create a power-politics vacuum in Europe, which cannot be filled through European efforts alone—America will without a doubt implement its limited withdrawal from Europe, as it is overburdened with home commitments.

One might ask whether the real aim of the Helsinki conference is to hamper and weaken the powers of resistance and potential for unification in the west to such an extent that the vacuum cannot be filled by Europe itself. And the result will certainly not be a policy of peace. We have seen how declarations and facts are often diametrically opposed to each other.

If you will forgive me for saying so, I tend more towards the view expressed recently by a Chinese diplomat, who said: "When anyone goes to the negotiating table with Soviet Russia and negotiates for peace, he knows that he is really putting his head in the lion's mouth".

(Applause)

President. — I trust I shall not be offending anyone if I remind the House that the subject under discussion is European Union.

Mr Fellermaier. — *(D)* Hear, hear!

President. — I do not think I am being narrow-minded in asking Members to return to the subject under discussion.

I call Mr Bro.

Mr Bro. — *(DK)* This is the first time I have spoken in Parliament since the new President-in-Office of the Council took up his duties. I would like to avail myself of this opportunity to extend to him a cordial welcome and to say that I agree in general with the speech the minister made earlier today, and in which he made it clear to us that he will seek to come to terms with an extremely arduous European task—and this on behalf of all Member States and not just one Member State. The Minister seems to have taken the word 'minister' to mean 'servant'.

I feel I must say that Mr Dich's somewhat individual brand of internationalism is only shared by a minority of the Danish people. On the other hand Mr Dich may pride himself on the fact that he, of all the Members, attaches the greatest importance to the Parliament as

he has chosen this House to launch his election campaign today.

I would like to point out one result of the talks between Peking and Washington and between Washington and Moscow. I believe it will be noticed that things are happening out in the world which may do much to cast light, or perhaps in fact in the future, a shadow, over our debate today, a debate which I heartily welcome. Even if one is an adherent of, or desires, Atlantic cooperation one has no right to assume that Europe will not have to bear greater burdens itself.

In any event I believe that we shall realise that Europe will have to intervene as an equal partner if it is to take part in determining world, and not only European, developments in the future. We already have the greatest co-operation in this field.

As a new Member I think it is remarkable to see how far we range in our discussion of what decisions will be made in the various countries. It is hardly that we do not devote ourselves to the subject even though our influence may not always be as great as we would wish it to be. I have in front of me for example an application from the British Toilet Paper Manufacturers' Federation which somehow assumes that I should make a decision about how their affairs should be arranged. I assume that Mr Per Dich will also have to come to a decision on this. Mr Dich is already up to his neck in cooperation.

I should also like to draw attention to a matter which I believe to be of great importance in connection with the work of the Parliament, namely that what we are discussing here is not only the question of greater effectiveness or how we can get richer. I believe that a more important aspect is how to develop democratic culture, and make it stronger and more resistant in the face of developments which may affect not only our own continent but the whole world.

Mr Petersen mentioned that we have lost the support of many young people. I do not believe that things are so bad after all, but I will say that it is correct to think that if we do not elaborate a model to show what our cooperation is moving towards, there will often be a danger of getting lost in the jungle of technicalities. May I also give vent to a personal grudge? I believe that it is both hopeless and absurd for Parliament to devote itself to every detail when we do not have the technical expertise to talk about them.

Would it perhaps be possible for those young people to be given more opportunity to see other countries? I hope that there will be more

Bro

opportunity to study for example at various different universities and colleges and what the Danish call People's High Schools. Young people could thus get a better impression of other countries. By doing this one could start at the bottom—but this does not mean that large models should not be elaborated. The most important thing now, however, is to start from the bottom. One must create understanding in Europe of the reasons why we belong together and provide purely practical opportunities for Europeans to come together.

I believe there are many other possibilities—other models we have discussed. It is also true, as Mr Petersen said, that bureaucracy is also a terrible problem for the people outside these walls too. This puts me in mind of the fact that every time I pass the buildings in Brussels I see behind the windows the tons of papers visible from the streets. In the Middle Ages torture chambers were at least hidden away in cellars.

I shall conclude by saying that the advantage of this problem is that it enables us to resume our debate about the details of the construction of Europe while at the same time discussing what model it is that we wish to base our cooperation on. I would make no secret of the fact that I am sometimes reminded of the words of the Chinese professor of constitutional law who arrived in Moscow and was asked what he thought would become of the European Community. Let us first see, he answered, what comes of the Reformation. He may be right.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I should like to make a few further remarks in reply to the response to my first statement. Some speakers have declared that they are quite happy about this debate. I find this debate humiliating for our Parliament. And the indignation of Mr Aigner towards the Council seems to me in inverse proportion to his knowledge of the text of point 16 of the Paris Communiqué. The Heads of State and Government Leaders asked not only the Council, but also all the institutions of the Communities, including, therefore, the Parliament to work out drafts for the European Union. The Council would have been equally justified in asking what the Parliament has done so far. We must see to it that we work something out too. We must pool our ideas. Of course I find it interesting to be told here of the conflicts experienced in Germany with respect to the Ostpolitik or the difficulties in Denmark. I will not deny that these also have something to do with European Union in 1980. However the point here is that we should be aware that we

as a Parliament have been given a task by the Summit Conference. That is why I said that I can well believe that the Council considers it too early to give an answer. Perhaps it would also be premature of us to come up with something that should only be ready by the end of 1975. It is however time for us as a Parliament to become more aware of the fact that this sort of discussion is never going to help us to create a European Union. The latter will only come about when the relevant organs of the Parliament start concerning themselves seriously with the matter and we ourselves can give an answer to the question that we are putting to the Commission, namely, what has been done so far? We must unfortunately reply that it looks as if we shall not be ready by the end of 1975 if we continue as at present. I find this particularly serious and we must be aware of the seriousness of the situation.

President. — I call Mr Schmidt.

Mr Schmidt. — (D) Mr President, ladies and gentlemen, I merely wish to comment on Mr Aigner's speech, and I shall be very brief. Mr Aigner said that he considered the Ostpolitik—meaning the German Ostpolitik—to be Moscow's policy towards the west. We are familiar with the language of the cold war, and I am not surprised that Mr Aigner is using this forum to raise the flag of the cold war once again. He mentioned the German Minister of Defence, and claimed that the Minister must know how the Russians are arming themselves. I can only say one thing; Mr Leber is well aware what situation we would find ourselves in today if an Ostpolitik had not been pursued against the policies of the two super-powers. We would find ourselves in a really unpleasant position. In a debate on what Europe will be like in 1980, I would say only one thing: either the Europe which emerges then will be a union which works towards peace, and creates the conditions for it—in which case it will be successful—or it will follow a policy of political agitation, which sometimes becomes inflammatory—and in that case there will be no European union.

President. — I call Mr Nørgaard.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) I regret that we weren't able to commence the debate at the appointed time of 3 o'clock. It would have been better, but perhaps I was of more use in the half hour I spent meanwhile in the Political Affairs Committee, since there, as President of the Council, I was able to give replies on what the Council had decided.

Nørgaard

In the matter which is currently before the House, I am afraid I can hardly invite the honourable members to an exchange of views on European Union, since it is not possible for me, as President, to make known the Council's position on this matter. We shall work on this first of all, and we shall—like Parliament and other institutions—in accordance with the declaration of the Summit only produce a report in 1975.

I do, however, think that it is particularly useful for the President of the Council to have heard the various views on the concept of European Union held here in Parliament. I am fully in agreement with Mr Broeksz that we must concentrate, in the Council at any rate, on fulfilling the request to produce a report before the end of 1975, and I can assure Mr Broeksz that I for my part shall do everything in my power to meet the challenge and fulfil this request.

Owing to the nature of the matter it is not possible to have the same debate in the Council as we have had here—for the simple reason that the representatives here in Parliament undoubtedly represent that section of the population which desires to go furthest where the federal organization of Europe is concerned. It is correct, as has been said, that there are also other attitudes to the solution of the problem of European Union which differ from the federal idea, and as Mr Petersen has also pointed out, we require in any case a new attitude amongst the populations of several Member States on the part of several peoples—the Danish population does not support the federal system suggested by the English speakers.

It is also correct, as Mr Dich has said, that the plebiscite which took place on 2 October in Denmark gave consent—as Mr Guldberg stressed—to what is currently in existence, that is, the Treaty of Rome. But the Danish situation is special as according to our constitution we must go through a very extensive supplementary procedure, if European Union is suggested and we wish to join it. So there must be then either a 5/6 majority in favour of a suggestion to pass sovereignty on to the new institutions proposed, or a plebiscite.

As many of the speakers also indicated, we feel that it must be the task of the institution which I now represent, that is the Council, to analyse the problems deeply and present a coherent account—as Mr Petersen also wished—of all the combinations and complications with regard to the various versions of a European Union. Only when this has been done can it be submitted to the Summit, where to a large extent it turns into a political decision to discover by what means it is intended to attempt to reach unani-

mity or a majority. This remains especially vague at the present time.

Also, many speakers have pointed out that it is, however, stated in the last point of the declaration of the Summit, that it is the institutions which must elaborate reports, and in my opinion this institution, this house, the Parliament is a particularly appropriate forum for the many discussions which will be necessary before we can reach a clear position, since discussions in this institution are made fully public and this can also encourage public debate on these problems.

I therefore feel that it was a good thing that the question was put to me today, even though I have not been able to answer it; it has initiated a debate in this Parliament, and it may help to foster a background for the discussions we shall have in the Council.

In conclusion, Mr President, I should like to say that I regret that we have got no farther in the Council, but no one required this of us—not even the Summit.

I feel that if there can be a continuation here in Parliament of the debate on the concept of European Union, this will have a considerable and decisive influence on further discussions in the Council.

(Applause)

President. — The debate on Oral Question No 47/73 is closed.

20. *Change in agenda*

President. — Sir Tufton Beamish has asked that his report on the recommendations of the Joint Committee of the Association with Turkey be dealt with on Thursday morning instead of Wednesday morning, since it otherwise cannot be distributed in time.

Are there any objections?

That is agreed

21. *Transfer of appropriations to the 'Statement of Expenditure relating to Research and Investment Activities' for the financial year 1973*

President. — The next item is a debate on the report drawn up by Mr Spénale on behalf of the Committee on Budgets on a proposal for a transfer of appropriations to the 'Statement of Expenditure relating to Research and Investment Activities' for the financial year 1973 (Annex I

President

to Section III—Commission—of the Budget of the European Communities) (Doc. 133/73).

I call Mr Spénale, who has asked to present his report.

Mr Spénale. — (F) Mr President, I should like the President-in-Office of the Council of Ministers to remain with us for a few minutes to answer an important question.

I am most grateful to the President-in-Office for agreeing to my request.

The position is that a supplementary budget No 3 relating to Euratom has not yet been communicated to us and that a supplementary budget No 4 concerning the EAGGF and amounting to a million units of account as well as a supplementary budget No 5 for the Social Fund are being prepared. Now, we are on the eve of a recess and if everyone asks for the budgetary procedure to be applied as determined by the timetable, Parliament will be able to examine these draft budgets only by organizing a plenary session during the month of August.

Would it not be possible for the three institutions to conclude a gentlemen's agreement whereby Parliament's opinion would be delivered in September without any time limit being fixed?

This seems to me a question which should be answered by all the institutions concerned.

President. — I call Mr Nørgaard.

Mr Nørgaard, President-in-Office of the Council of the European Communities. — (DK) The Council has no objections. We believe we can accept the suggestion, if practical cooperation between the people in the Council and people in the other institutions can be implemented.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) I see no difficulty either, Mr President.

President. — I thank the President of the Council for his obliging attitude.

I call Mr Spénale.

Mr Spénale, rapporteur. — (F) Mr President, I should like to say first of all that I regret the absence of Mr Offroy who is the author of the report that I am now going to present to you. On the Committee on Budgets he was a very distinguished member, who was always effective.

The report I am pleased to present to you concerns a chapter of a supplementary budget for Euratom for, once again, we shall be reaching the end of the year without having the Euratom budget for 1973. I might add that we already had to take transitional measures several months ago in order to release funds needed to pay staff.

In this way we have covered, with a credit of 12 million u.a., the period up to 30 June. What we need to do now, in view of the fact that the Euratom budget has not yet been prepared, is to release the resources needed for Euratom's compulsory expenditure for the period July, August and September. This therefore means a transfer from Chapter 98, which concerns non-allocated expenditure, to Chapter 33 of Section 3, that is to say, the Council, to permit payment of Euratom personnel. While expressing reservations about the manner in which the budget is presented, for the proposal only reached us on 28 June and we have to discuss it today without having had enough time to consider it, the Committee on Budgets has approved this transfer of credit. We have to accept it, if we wish to prevent not only unrest among Euratom personnel but also trade union and judicial proceedings, through which we shall be obliged to pay these sums. The Committee on Budgets therefore recommends the Assembly to approve the proposed transfer.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) I thank Mr Spénale for his report and ask Parliament to adopt the resolution.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

22. Annual accounts of the European Parliament for 1972

President. — The next item is a debate on the interim report drawn up by Mr Aigner on behalf of the Committee on Budgets on the draft annual accounts of the European Parliament for the financial year 1972 (1 January—31 December 1972) (Doc. 132/73).

I call Mr Aigner, who has asked to present his report.

¹ OJ No C 62 of 31 July 1973.

Mr Aigner, rapporteur. — (D) Mr President, ladies and gentlemen: I shall present my report to you as briefly as possible and recommend that the resolution be adopted.

First of all may I say, Mr President, that this budget account has been submitted to the Committee on Budgets of this Parliament and the interim report which I prepared has been adopted unanimously.

I should like to point out, however, that this is not a final discharge, as a final discharge cannot be given until the Audit Board has submitted its comments to us.

With regard to the sums, I would say the following; we have two resolutions for the financial year 1972—Mr President, as you know we have full powers in this respect—one of which I am submitting to you now and which includes a decision to foreclose any unused resources. For 1972 about 1.1 million are foreclosed, if I include the budgetary resources carried forward and the resources for 1972.

Mr President, I should perhaps mention just two items—I will not give specific figures at this point, but perhaps it might prompt some of my colleagues to look through these figures, even if only cursorily.

About 16 million units of account have been laid down for our own 1972 budget. Expenditure for the body itself, in other words for the members of parliament, totals 1 million. This means that the apparatus costs 15 times as much as the body spends on travel expenses, daily allowances etc. for its members.

Perhaps before I finish I could mention another figure which is of interest. This budget account includes one item representing 5.7 million in basic salaries. Mr President, total staff expenditure amounts to more than 11 million—taking into account all social welfare expenditure: canteen, social benefits, family or separation allowances, travel expenses, extra allowances. I say this to draw attention to the high standard of social welfare which employees of this Parliament enjoy.

Mr President, after these few remarks, I recommend that the resolution be adopted.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

I must stress the situation in which we now find ourselves. There are two more items on

the agenda. You all realize that we cannot avoid a late-night sitting tomorrow. In view of the number of speakers listed at present, we are moving towards a late-night sitting today also.

We are always talking so much about the environment. Couldn't we make an effort, in view of the temperature at the moment, in favour of our health and that of the staff? Is it reasonable to impose two consecutive late-night sittings on ourselves and on them?

(Interruptions)

I would urge honourable Members to be brief if they maintain their requests to speak, so that we can rise at 7.30 p.m. and avoid a late-night sitting.

23. Outcome of the meeting of the Council of the European Communities on 22 May 1973 on energy problems

President. — The next item is the motion for a resolution tabled by Mr Springorum on behalf of the Committee on Energy, Research and Technology on the outcome of the meeting of the Council of the European Communities on 22 May 1973 on energy problems (Doc. 110/73).

I call Mr Springorum.

Mr Springorum. — (D) Mr President, ladies and gentlemen: in submitting a motion for a resolution to you today on the results of the Council meeting of 22 May, the Committee on Research and Technology did not intend to start a long debate on energy. It merely wanted to draw your attention to a few points from this Council meeting which are important to us as a parliament. Time does not permit me to discuss individual points in the resolution. In any case you have it in front of you. But may I just bring up a few points which I consider significant for our Community.

As distinct from many other policies, energy policy is particularly concrete, and is one policy which is never disputed in Member States. It is therefore much easier for us to draw conclusions on Community policy from the Council's proceedings.

When we look at this Council meeting, we can really see how sick Europe and the European Community are. It is true that the doctors of this Community (the governments and the Council) are trying to conceal the true facts from the relatives. But in my opinion the time has come to tell the public frankly what is happening.

¹ OJ No C 62 of 31 July 1973.

Springorum

In the meantime we can see very clearly that the governments—and I think this applies to almost all governments—are constantly telling the voters that they want this European Community, but in fact are following a policy which is binational or multinational, when this is to their own advantage, and more and more are rejecting a common European policy. In fact the European Community is taken into account only in so far as is absolutely necessary under the terms of the Treaty. Apart from this they are trying to diminish the importance of the Commission and the other European institutions as far as possible.

It is difficult to establish what is the reason behind this. It is true that in recent years the Commission has not been capable of taking a leading political role, and in fact has let itself be pushed aside to an increasing extent by the Council. It is no longer really in a position to carry out political initiatives. It was made clear at the Council meeting that the Commission is to a large extent a well-paid research bureau or more accurately a general secretariat, with the power to submit papers to be discussed by the Council, which then may use them as a basis for its decisions.

The Council is far more guilty than the Commission of hampering the development of the European Community. The question constantly occurs to me, is it the politicians alone who are responsible, or is it perhaps the national officials of the Member States, who do not really want a European Community?

I had a very interesting experience in this connection. A few weeks ago I had a visit from an American researcher, who was one of a team studying the views of the population on European union. As he had already visited most of the countries in Europe, I asked him what had been his findings. He replied that the people in the Member States were almost one hundred per cent in favour of the Community; only one group had reservations about European union, and that was the officials, particularly the senior officials, who all opposed it to some degree.

I attribute this to the hubris of the European officials, and also to the fact that these officials are not prepared to relinquish their rights to a supranational organisation. This may also be the key to the Council's reluctance to make supranational decisions.

The Council is making more and more multinational and binational regulations and decisions, but the tendency is to take away all rights and responsibilities from the European bodies and to treat them as political executives for the Council.

At this point I should like to express a personal opinion. As the parliament of this Community, we shall be compelled in the near future to think about what parliament means, and whether it is worthwhile or not, if Europe is to continue to develop. On occasions we provide an effective framework for the Commission or the Council to present their views, but gradually we are being driven into a frustrating situation which cannot be reconciled with the true purpose of a parliament. I believe that we should begin to discuss in the near future how long we are going to concur in this situation.

The second reason for reporting on the meeting of the Council was that estimates of the success or lack of success of this meeting seem to vary to an extraordinary degree. The Commission—and I am assuming that on this point the Commission is in agreement with the Vice-President, Mr Simonet—which informed us of the result of this meeting and of how successful it was, finds itself in conflict on this point with the governments of Member States, which have expressed their opinions of this meeting at home, and also to the European press, and considered that the meeting was a complete failure.

It is true that a few (three in fact) insignificant proposals from the Commission were adopted, but they certainly do not make any contribution to a common energy policy. Also—and possibly the Commission considers this as a success—it has been instructed to produce a few documents for the next meeting of the Council of Ministers, which may perhaps form a common basis for the discussion of Community measures for ensuring energy supplies. On the really fundamental question no agreement was sought. Let us bear in mind that as early as 1968 the Council decided there was an urgent need to develop a Community energy policy. The Paris Summit also made a particular appeal to the institutions. But in the interim the Commission seems to have given up its ambition to play a leading political role, and to have retracted the favourable attitude it expressed in the Council towards the idea of future cooperation within other European organisations, probably within the framework of the OECD. The Commission also seems to have given up the idea of working out a common European policy which could then be implemented in a wider context. Although at the meeting of the Council of Ministers the Member States agreed in their analysis, there were many different views on the inferences to be drawn, and in this situation the Commission did nothing. This was a case where it should have been involved and we can only hope that in future it will not shirk this task.

There was a third reason why we came to this decision—and may I at this point say a few

Springorum

words about the present situation in the energy market. Press reports are contradictory, but in fact this year we are going to have to deal with a real shortage of energy in the United States. The Americans estimate their deficit at 72 million metric tons of mineral oil products in the current year. This is not very much in relation to the enormous consumption in the United States; presumably the Americans will be able to meet this requirement with supplies from refineries in Europe without difficulty, if President Nixon's appeals to restrict consumption do not have sufficient effect. Independent service stations in Europe could already tell a tale about how very cheap petrol is no longer available; in Rotterdam they already have to pay up to three times the price they were paying about a year ago. But though in 1973 the amount may seem small, in future it is going to increase considerably, and this is bound to have some effect on the Community.

The question for us in the Community is whether we can solve this problem together, as a joint association, an Atlantic-Japanese community, or is this a problem for the Community to resolve, or will each individual country have to seek its own solution?

The precautions suggested for the European market by a few experts—export restrictions on mineral oil products—would only provide a very short-term solution. There is a risk that we might take action which it would be difficult to go back on later. We shall therefore have to be prepared for the possibility that by about 1980 the American market might have an import requirement of between 1,000 and 1,100 metric tons, of which they will certainly be able to supply part from new deposits on their own territory. But undoubtedly about 600 to 700 million metric tons of mineral oil will have to be obtained from the Middle East. Whether these quantities will be available then in that area cannot be predicted definitely at present. However, it will be necessary for the consumer countries to join together in the event of an imminent supply shortage to ensure that the quantities available are distributed as fairly as possible. It will also be necessary for all these countries to cooperate in keeping a constant watch on prices.

However, agreement can only be reached when the countries of Europe are united in their strategy. Unfortunately the present chances of a coordinated energy policy are regarded with scepticism in the United States, especially after this conference of the Council of Ministers. The lack of a unified energy policy in Member States, which has been clearly demonstrated here, seems to have made highly negative impression in the United States. It has been said

in the U.S. that until the Community learns to speak with one voice on energy policy, it will not be a reliable partner in this field. Many of the Member States in our Community seem to cherish the hope that they will best be able to meet their own requirements through direct contact with the oil-producing countries of the Near East. I am afraid that this may prove to be a fallacy.

The large multinational petroleum industry has built up a world-wide supply system in recent years, which—it must be acknowledged—has proved its adaptability even in difficult circumstances. The multinational companies also have great know-how: I could quote figures to show how many bore-holes these companies need in order to strike oil, and how many national companies need, which are lacking in knowledge and experience.

These companies should not be deprived of their responsibilities, as they appear to be at the moment in some Member States, which are taking away their refineries and buying up service stations, and thus exempting these establishments from their duty to supply oil.

The role of the executive power—and this applies to the Commission and to the governments—should be above all to ensure that genuine competition is maintained between the oil companies, the price level is kept within reasonable limits, the companies are compelled to observe certain rules, and that they guarantee supplies as far as possible. The main task of the Commission in the next few years will be to keep the companies informed of the progress made in devising a common energy policy on the basis of longterm policy guidelines. It will be equally essential to create an improved climate for investment by maintaining a proper balance between the protection of the environment and the requirements of the power industry.

Europe can still avoid falling into the same situation as the United States. But this will require unanimity among Member States and a more effective application of institutional law—or, one might almost say, the duty of the Commission as an institution. And the Commission can rest assured that we in the European Parliament will give it every possible support, with, the little powers that we have, if it is ready to act.

The Committee has approved the resolution unanimously. I recommend that it should be adopted by Parliament.

President. — May I once again ask all speakers not to use their full speaking time. At this rate we shall need another three and a half hours.

President

I call Mr Noè on behalf of the Christian-Democratic Group.

Mr Noè. — (I) I shall be glad to follow your advice, Mr President, for the further reason also that, after the comprehensive exposé given by the chairman of our committee, Mr Springorum, we must realize that we are now, to all intents and purposes, in a stalemate situation. There was too long an interval between the period when the Council of Ministers was dealing with the energy problem and its meeting of 22 May, and as a result, it was once again not able to get to the heart of the matter and adopt the necessary decisions.

We now find ourselves therefore in the situation of being able only to support the line taken by the Commission until another meeting of the Council of Ministers is held next autumn, when more binding decisions can be taken, taking account also of what has been recently said by the Commissioner, Mr Simonet, in committee about contacts with the United States of America and with Japan with a view to a possible agreement, the terms of which have already been referred to by Mr Springorum.

I shall limit myself therefore to mentioning only a few matters and I would like to point out that the Christian-Democratic Group supports the line I am taking.

I should like to point out to the Commission that the critical situation facing the energy sector derives essentially from the enormous increase in energy consumption in the Community countries which we have witnessed in the course of the last decade.

In the immediate post-war years the increase in energy consumption seemed to be a fact of progress, and in certain aspects it was. Thus we have seen consumption of energy increase at such a rate that electrical energy requirements doubled every ten years and overall energy requirements every twelve years. We have in the meantime reached enormous figures for energy consumption and—this is an aspect which should be particularly emphasised—this is due almost entirely to the increase in consumption of petroleum products, since the production of hydro-electric energy has decreased proportionally in importance while the percentage of energy derived from coal is still less.

This explains the critical juncture we have reached in this matter; it also explains the need, to which I would call Commissioner Simonet's attention, for the Commission to work out in the coming months the necessary quantitative data on this important problem. Hitherto we have

had at our disposal only limited and sectoral data, but the time has now arrived to build up an overall quantitative picture, in view of the importance of the problem and of the crisis point we have reached. This is a classic case of problems which can be tackled with the help of a mathematical scheme which compiles and collates all the necessary data. An adequate bank of data on world energy problems, with particular reference to the Community energy problem, would enable us to be fully au fait with the issues and to explore seriously alternative plans for the development of energy policy, so that we can cope in the best possible way with the increase in consumption and at the same time meet the energy requirements of the Community.

An analysis of this kind needs to be illustrated with facts and figures, because the reality is too complex to be represented by a mathematical scheme; it will be necessary therefore to take short cuts and to simplify, but this is the only possible way to describe the situation in numerical terms.

We need to be able to grasp these figures, Mr President, in order to have an overall view of the problem.

To give an example, it is the general impression that in future decades there will be a certain shortage of oil, since, while the resources are definitely there, it is by no means certain that the production of the oil-rich countries will keep pace with the increase in consumption. These countries could have plans for increasing their production which would not be adequate to meet future consumption requirements. We need to know clearly therefore how future trends in oil production will go, in order to be able to take timely alternative measures to meet energy requirements by having recourse to other fuels.

In this context we might recall the remarks addressed to us on several occasions by Professor Burgbacher about the use of Community coal to meet energy requirements. We must try to pinpoint the exact moment when it will be necessary to begin using coal in gas or liquid form, because if we lack these precise points of reference, we may take some steps in this direction but we will never have an exact knowledge of the real issues at stake.

Last Friday President Nixon addressed a message to the American people in which he suggested three measures. The first two of these measures could, if worked out in a mathematical plan, provide certain answers.

The first measure is a reduction in energy consumption, in other words, economy. This

Noë

measure takes pride of place. There can be no doubt that we could very profitably proceed from the type of energy consumption which has prevailed over the past decade to a greater degree of economy, simply by studying appropriate measures. I will give only two examples which have been quoted in America as relevant to these problems. First: a four engined jet plane flying from San Francisco to New York can save 1 300 litres of fuel on each trip by reducing its speed by only 20 kilometres per hour, the journey taking only 6-8 minutes longer. By multiplying cases of this nature, it is quite clear that considerable economies can be effected. The second example: a chain of large stores can save 40 million kilowatt hours a year by halving the number of electric lights it uses during the daytime. This is an incredible figure at first sight. However, through an accumulation of economies of this kind, we can do something to effectively reduce individual items of consumption and thereby make the rate of increase in energy consumption rise less steeply. It is clear that the increase is due to an expansion which we cannot and indeed should not arrest but which we can modify to some extent by such measures. Therefore, the first step of all must be to effect economies, and this step is being very carefully studied.

The second point in President Nixon's message deals with research. There is no doubt that on this point also (I am thinking of the question of coal in liquid and in gas form) we need further studies; and in this context, Mr President, there is a point I would like to make here. In previous years the Commission proposed, very wisely, that stocks of petrol should be increased, and measures are being undertaken in our Member States to do that. It is right that this should be done, but I feel that in future we cannot responsibly accept other measures along these lines without having the chance to study, as an alternative, the method, for example, of setting up coal liquefaction plants. This would set a dynamic process in motion, because the plant will also continue to provide fuel, whereas obviously a series of reservoirs, having once been exhausted, will do so no longer. Hence the necessity for implementing wide-ranging measures calls for comprehensive study on the basis of the mathematical scheme to which I have already referred.

There are other fuels in view. Hydrogen, for example, has been much spoken of. We know that this is basically perhaps the most brilliant idea to have come in recent years from the joint research centres, but we are not yet in a position to know whether the studies being carried out at the present time on the use of this fuel have been sufficiently intensive. We know, on the

other hand, that the United States and Japan are also interested in it.

If we are to have an overall picture, we must have grasped all these facts and we must have clear concepts to enable us to be fully aware of the problems in question and to take well-founded decisions, with the further great advantage, Mr President, of cutting short discussion on certain points, since a clear analysis of this kind will leave no room for doubts or disputes and will enable progress to be made in the most effective possible fashion.

With this invitation to Commissioner Simonet, I wish to state once again that the Christian-Democratic Group will continue to concern itself with these problems. We are awaiting a new Council of Ministers meeting in the autumn and it is our hope that agreement will be reached between Japan, the United States and Europe, because it is obvious that it would be dangerous for the whole world if each one were to take its own path and then, in time of crisis, try to provide its own supplies outside this general agreement.

(Applause)

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

Mr Flämig. — *(D)* Mr President, after what the previous speaker has just said, it is of course superfluous to state once again what priority should be given to energy policy. The latest warning signals from the U.S.A. and the oil-rich OPEC countries would not have been needed to wake up the parliamentarians in the European Communities.

The European Parliament has been demanding for years that the Council should at last take up the Commission's proposals and lay down the principles of a common energy policy. It was not until the Heads of State or Governments attached particular importance to energy policy at the Paris Summit Conference in October 1972 that the Council considered it appropriate to devote its meeting of 22 May exclusively to energy policy questions.

But anyone who hoped that the break-through would at last be made, anyone who assumed that the responsible executive body of the Community would now set about making up for what it had omitted to do in the past, was disappointed. Although the Commission's proposals were, in principle, welcomed, although it was agreed that further meetings to discuss energy policy should be held in the foreseeable future, the Council was not able to agree on what the bases of a common energy policy should be.

Flämig

The Socialist Group particularly regrets that the Council was not even able to reach the trade policy decisions so urgently needed in the field of crude oil supply, although it has the power to do so. M. Giraud will possibly go into this point further.

Who then, Mr President, will suffer if the European Communities continue to dither as they have done in the past? In the final analysis, it will of course be the millions of consumers. Full employment can be maintained only if sufficient quantities of energy are available in the years to come. There is a great deal of talk of increasing the standard of living. One does not have to be an expert to imagine what will happen if there is a shortage of energy, be it electricity, gas, coal, oil or petrol. Things that become scarce also become expensive, and things that become scarce and expensive speed up the disastrous tendency for prices to rise. What has once been said in our committee can only be underlined: no investment in the field of energy supply can be so costly as the lack of energy and its consequences. Are we really supposed to wait until lifts stop, until one day filling stations in the European Community have no fuel to sell, until food goes bad in the freezer because power cuts become necessary, must heating and refrigerating systems—both of which need energy—fail before the Council of Ministers also comes to realize that things cannot go on as they have done in the past?

What has to be done? Primarily, since the European Community cannot itself produce enough energy at economically tenable conditions and therefore purchases large volumes from the world market, it must approach its suppliers with a uniform concept. At present it would, at times, seem as if the left hand did not know what the right was doing. This is not meant in party political terms; it is merely meant to outline the sad state of affairs in which each country of the Community acts as it thinks best—or looks on while big business pursues an energy policy based solely on the profits that can be made.

What I am speaking of here are not just economic points of view. We in this Parliament are already faced with the question of where to draw the dividing line between energy industry policy and energy research and development policy. The dividing line will no doubt be fluid. In the Committee on Energy, Research and Technology, we Socialists principally recommended the adoption of the motion for a resolution which we are now discussing because it again demands that more be done by way of research into new sources of energy and the better utilization of existing sources of energy.

This is a wide field and exceeds the powers accorded by the Treaties of Rome. This should not, however, be seen as an obstacle, especially as Article 235 opens the way for action to be taken if everyone is agreed on an energy and research policy. Energy and research policy do not, by any means concern only prospecting, the search for further reservoirs; at the very least it also includes the search for new, economic methods of exploiting existing primary energy. Our thoughts turn in this connection to research in the hydrogen field, the utilization of solar energy and, not least, to the meaningful and peaceful use of nuclear energy, without of course endangering or polluting the environment.

Research in the energy sector, however, also means combating wastage of energy; in this respect, what the previous speaker said has my full support. When you read what small percentages of available energy are today actually utilized, when you hear that millions of kilocalories are discharged unused into rivers and the air, the question arises, is there really no way of reducing the wastage of energy? What use are glass and steel palaces when they above all consume vast quantities of energy, since in winter twice the amount of heating and in summer twice the amount of cooling are required? What use are motor vehicles that can travel at top speeds of up to 120 m.p.h. and consume corresponding quantities of petrol, when they can only be driven at 60 m.p.h. for reasons of safety? Those are just a few examples.

Energy research also touches on environmental protection. As we proceed down the agenda, we will be dealing with this question on its own. I will therefore limit myself to one remark at this time: what must be done now is to harmonize environmental protection requirements with the necessities of generating energy. If, as we have just heard, power consumption in the Community doubles every ten years, new power stations will have to be constructed. They will be necessary even if it is possible to save more electricity than in the past. Anyone therefore protesting—provided his reasons are sound—against the construction of a new power station would do well to not only criticize but also offer alternative solutions. Jean-Jacques Rousseau may, in his time, have inspired people with the cry 'Let us return to nature', but a 'return to nature' in the age of the car, television, air conditioning and the computer is unthinkable. Modern civilization needs energy in every form. It is the politicians' and industry's task to make it available in sufficient quantities and at the required time. It is not therefore enough to make fine speeches. The Council of Ministers must fulfil the mandate given it

Flämig

by the Paris Summit Conference as quickly as possible. The Council should meet not at the end of this year but immediately after the summer recess and this time at last do what our Parliament has been demanding for years. The Council should reach definite decisions on a common energy policy and a common energy research programme without delay. There is no time to lose. The Socialist Group will therefore vote in favour of the resolution. Thank you.

(Applause)

President. — I call Mr Durand on behalf of the Liberal and Allies Group.

Mr Durand. — *(F)* Mr President, you asked speakers a little while ago to be brief; I do not intend to be otherwise.

I should simply like to say, on behalf of the Liberal and Allies Group that we shall vote in favour of the resolution tabled by Mr Springorum on the results of the Council meeting of 22 May 1973 devoted to energy problems. I might add that the Committee on Energy, Research and Technology unanimously adopted this resolution. On behalf of the Liberal and Allies Group, I should like to stress that the Council, notwithstanding the powers with which it is invested, has not succeeded in carrying out the mission with which the Conference at the Paris Summit entrusted it. I would also point out that, if next October or November, the Energy Council fails in its mission, we shall be engaged in a struggle to obtain oil. Once this struggle has begun—and I fear it has already done so—it will be impossible to stop it.

Should we fail next October or November, neither the Americans nor the Japanese will take us seriously when we talk of a political will to reach an arrangement with producer, and consumer countries.

We hope that, in the weeks ahead, the Council will carry out preparatory work to ensure the success of meetings to be held by the Energy Council next October or November.

In conclusion, I hope that the Parliament will pass, without amendment, the motion for a resolution under discussion.

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

Mr Normanton. — Mr President, on behalf of the European Conservative Group and as a member of the Committee on Energy, Research and Technology I should like to extend an unreserved and unqualified welcome to Chairman Springorum and congratulate him on his

presentation of the resolution standing in his name.

The terms of the resolution and the supporting document are critical and constructive, but at the same time realistic.

They are critical in that they criticize the continued delay by the Council of Ministers, which no one in present circumstances can possibly condone. They are also critical because they see the gap between the supply and consumption of energy growing ever wider.

They are constructive, however, in that the Committee on Energy, Research and Technology and Mr Springorum in his resolution identified the problems briefly and concisely. He suggests areas not for discussion and deliberation, but for action.

It is indeed a highly realistic resolution because it emphasises in the strongest possible terms the urgency with which action should and, indeed, must take place. It stresses that action should take place on not only a national but, above all, the broadest possible Community basis.

I should like to advance four main points, and I will do so briefly. First, I want to concentrate upon the fact that all four points have one common denominator running through them. They relate to situations and areas over which the Community has it entirely—I repeat, entirely—within its own control to act urgently and positively.

The four brief headings are the production of electrical energy by nuclear power, the provision of fuel to keep the nuclear electricity generating plants supplied, the growing and continuing need for economy to be exercised in the use of this ever-growing consumption of power in all its forms, and, lastly and probably most significantly, the determination that we ought to show to avoid continuing still further down the road to increasing dependence for our very lifeblood energy, which keeps not only industry but human beings alive, on sources of supply from areas over which we have little economic power and no political influence to bring to bear.

Dealing with the first point, we should realize that the provision of electrical generating power by nuclear means is an immense problem. I will illustrate this point by reference to Britain. In order to keep up with the ever-increasing rate of consumption Britain must build one new electrical generating atomic plant every year from henceforward. The problem is huge in scientific and technological terms, is great in terms of the demand placed upon it and upon

Normanton

our industry and, above all, upon our economic and financial resources.

When we have built those plants—the decision has yet to be made to do just that—we must consider the source from which the fuel should come. Are we to continue, as in the past, to rely upon ships and the use of pipelines from desperately unreliable sources to keep the fires of Europe burning, or are we more logically and reasonably to establish our own uranium enrichment plants, which it lies within our power to do, so that we are not dependent upon supplies from sources other than our own?

My third point concerns the use of energy. May I respectfully remind Parliament that in debates at previous sittings attention was drawn by myself and other Members to the ways in which Europe, nearly as much as the United States, dissipates, squanders and irresponsibly throws away that precious commodity which makes life not just bearable but technically possible. Governments, both individually and collectively through the Community, must concentrate their attention upon insisting on economy in the use of this rare and priceless commodity, power. Why should we continue to impose charges and tariffs for the consumption of electricity which involve a lower unit cost the more current we use? In this day and age, when this power has to be generated at such great cost and with such dependence on the availability of raw material supplies from dangerously unpredictable sources, it strikes me as the height of economic folly for Europe to continue to perpetuate this system of charging. Let us concentrate urgently upon restructuring the whole system by which we value, cost and charge this priceless commodity.

Lastly, may I draw attention to a point which I know is agitating the minds of very many, indeed of an increasing number, not only of politicians but of those responsible for industry. They look at the way in which we are talking about European defence, in terms of numbers of divisions of troops and of fleets of aircraft, and yet, however strong our military forces may be, as few as two or three technicians could defeat the whole of those massive military forces.

Europe must be alerted to the danger of our dependence upon pipelines from these unpredictable sources of supply. The agency through which action could be taken is the Council of Ministers, backed, supported and pushed relentlessly by Parliament and the Members of the Commission. All the areas to which I have referred lie entirely, exclusively and solely within the competence of the nine Member States of the Community; they are in a position

to act. If the Council of Ministers cannot see the urgency of the need for action, then we are blinding ourselves to the realities—and in this day and age we cannot afford to be blind.

(Applause)

President. — I call Mr Bousch on behalf of the Group of European Progressive Democrats.

Mr Bousch. — *(F)* Mr President, ladies and gentlemen. Once again our Assembly is debating energy problems.

Yet, in a resolution of 12 October last, we had stated our position clearly and demanded that the Community be provided with an adequate energy supply to guarantee, promote and develop the Community's competitiveness in the international market, which, as we said, was an essential condition for economic growth, full employment and a progressive social policy.

The Committee on Energy, Research and Technology believed then that its voice had been heard, for at the Paris Summit Conference the need to formulate a Community energy policy was explicitly stated. We have also received in the meantime a number of proposals from the Commission, and on 8 May the Committee on Energy, Research and Technology once more approved a resolution on the progress which must be made in Community energy policy and on policy measures for the period 1975-1985.

The Council of Ministers of 22 May was, in fact, for the first time to be entirely devoted to energy problems.

The Council meeting took place, but contrary to our expectations and the—perhaps over-optimistic—statements of the Commission, we feel that we have not been satisfied.

Some of the Commission's proposals were accepted in principle, but in effect no clear guide-lines for a joint energy policy were laid down, though recommendations from the Summit, proposals from the Commission and resolutions from this Assembly prodding the Commission and demanding decisions from the Council have not been lacking.

We are thus forced to return to the charge, to make our views known and draw the attention of public opinion to the gravity of the situation.

The Committee on Energy, Research and Technology, in approving unanimously the resolution tabled by Mr Springorum—whom I should like to take this opportunity of thanking—wanted to reopen the debate. The situation in the world market is certainly not improving. The United States, with an anxious eye to the future, is, for the first time in history, making heavy purchases of both oil and gas.

Bousch

Why, then, cannot the European States agree on a common policy? What can be done? In its resolution the Committee on Energy, Research and Technology invites the Commission to tackle the problem once again and emphasizes the essential need of securing our power supplies. Several speakers have dwelt on this point. As one of our colleagues was just saying, we must not permit, our whole policy of economic and industrial expansion to be put in jeopardy because of lack of continuity and security in the energy supply.

Should the Commission, then, be granted further powers? Certainly; I am sure that, at all events, the Commission is determined to redouble its efforts. But it must be realized that the time has come to act on the principles on which we are all agreed: cooperation with importing countries, more rational employment of nuclear energy, increased production and improved exploitation of natural gas, measures against waste and pollution, the search for new sources of energy and the retention of an essential nucleus of coal production in the Community with an assured outlet.

We trust that at the October meeting the Council of Ministers will finally take the decisions that have been awaited so long. But irrespective of this Parliament's wishes, or of the Commission's intention to put forward further new proposals, the important thing, as the previous speaker has said, is that the States should at last realize the need for a common political will capable of overcoming the national interests which still impede the adoption of joint solutions necessary for the Community as a whole.

With these reservations, our Group will vote for the resolution, hoping that, with public opinion alerted, with prompting on our part, and on a proposal from the Commission, of which we expect much, the Council of Ministers will take the long-awaited decisions in October. Should decisions be not forthcoming, the whole economic progress of our Community may one day be at risk.

(Applause)

President. — I call Mr Leonardi.

Mr Leonardi. — *(I)* Mr President, ladies and gentlemen. A short time ago in anticipation of the meeting of the Council of Ministers on energy problems, this Parliament discussed at length the problems of an energy policy and adopted a resolution, ours being the only dissenting votes. We, on the other hand, have adopted some concrete proposals. It can be said that the frequency of the speeches and the number of the resolutions are in direct proportion to

an inability to solve the problems which, in an ever more pressing manner, are being posed for us by evolving realities.

And the reason for this is not the lack of powers on the part of this Parliament but, first and foremost, the political feebleness of the positions which it takes up.

Our resolutions are not so much policy statements as lamentations, which clearly leave things as they were.

This special inability to act in the field of energy policy derives from the fact that in this field, more than in any other, any action taken implies a choice of foreign policy. In this context it is sufficient to observe what happens in the area of energy sources for which the Community is chiefly dependent on outside sources (oil), or, in the case of atomic energy, such things as research with military implications, choice of reactor types, uranium enrichment installations, etc., all of them factors directly affecting our relations with the United States.

It is nonsense to think that we can solve this problem, as the proposal for a resolution does, by expanding the area of responsibilities, pursuant to the usual Article 235 and subsequently to Article 236, because what is at issue here is not legal but political inability to act.

This is made sufficiently clear when we examine what has happened in the field of the ECSC and Euratom Treaties, where the legal powers and the power to act envisaged by the Treaties have remained to a great extent unused.

There is not much use either in trying to spur on the Commission by urging it, as in point 5, not to abdicate its responsibility to take initiatives in the area of energy policy, because, by doing so, it would expose itself to the danger of being pushed aside by the governments of the Member States. In the field of energy policy, the Commission has already produced many studies and projects, but with the most meagre results. It is certainly a good thing that the Commission should be so tireless in pushing onward, but this is not the root of the problem.

Rather than criticize and urge on the other institutions, it would be well for us to ask ourselves what contribution we are making by means of this resolution to the formation of a Community political will (and this is the heart of the problem). It seems to me that our contribution is extremely modest. In point 8 of the proposal for a resolution, it was requested that the Commission should be provided with the necessary powers to promote research on new sources of energy and better use of the existing sources, where these powers are not already

Leonardi

granted by the ECSC and Euratom Treaties. But we have already pointed out on another occasion that the opportunities afforded by the above-mentioned treaties have remained largely unused, and that indeed with the assent of this Parliament, which, with ours being the only dissenting vote, approved the waiving of the greater part of the ECSC's own resources which should have gone into research, and that for Euratom it has for years, again with ours being the only dissenting votes, adopted near-subsistence budgets, neglecting the pledges and the opportunities offered by this same treaty for the establishment of joint undertakings and for the promotion of research work in the joint research centres. We have reached such a stage of weakness as to regard it as a major victory when we can merely keep alive the joint research centre, forgetting the basic goal of the Euratom Treaty, namely, the establishment of the installations necessary for nuclear energy development in the Community.

In Point 9 of the proposal for a resolution the Council of Ministers is invited to make a pronouncement as soon as possible on the proposals made by the Commission on a series of points which are merely listed, without any position being taken up on them.

No position has been taken up even on the principal problem of the present time in the area of energy policy, namely, the policy of the major oil companies (international in name but in fact American-based), to whom, with the consent of this Parliament, the task of supplying oil to the countries of the Community has already been entrusted, with particular reference to their approach to the oil-supplying countries in negotiations on price increases, increases which have been imposed on us and which profit the companies themselves and United States policy generally, as against the policy of the European Community countries.

The same thing can be said of the policy worked out by the major companies vis-à-vis the oil-producing countries and the obstacles placed in the way of cooperation between these countries and the countries of the Community.

This also applies to the creation of an alarmist situation on the American market with a view to negotiating from a position of strength, by presenting the United States as a country with difficulties similar to our own—which is simply not true.

It also applies to Kissinger's proposal for cooperation between the consumer countries—a proposal which is quite unreasonable in view of the wide disparity of forces in the world and the differences between the structures of the internal US market and the EEC market.

And to the structure of the oil industry in our countries, bearing in mind the fact that the Community and this Parliament have always relied on private initiative and the play of competition, even though through pressure of circumstances public intervention has been constantly growing.

And finally to the position vis-à-vis the socialist countries as possible suppliers, in connection with which opinions have differed widely and should now be reviewed.

The motion for a resolution comments on none of these points; it confines itself to very general exhortations and expressions of regret, and merely repeats to no purpose the experience of the past. For this reason, we shall vote once again against this motion for a resolution but we shall examine with great interest any practical proposals, as we have already done in the past, and on which our vote may again differ.

IN THE CHAIR: MR COUSTE

Vice-President

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

Mr Giraud. — (*F*) Mr President, after the speech on the subject by our friend, Mr Flämig, my own will be very brief. I shall confine myself to just one point.

At the last meeting in Rome, when Vice-President Simonet was good enough to put us in the picture about what happened at the Council meeting on energy, I seemed to understand that close agreement had been reached in the morning on a large number of points contained in the motion tabled by President Springorum, but that, for general policy reasons, hopes born that morning did not materialize in the afternoon.

My view on this is very clear: if we are always going to subordinate energy policy decisions to overall agreements on general policy bearing on the whole relationship between Europe and the United States, or between Europe and some power bloc, we shall never achieve anything.

It is obvious—and many speakers before me have stressed this point—that Europe should speak with one voice, which is not to say that there need be a hundred per cent agreement on every problem concerning Europe.

When we speak of Europe today, in A.D. 1973, we should not set our sights too high, but should examine the problems one by one, in the light of their urgency. Well, everybody, whether they

Giraud

are for or against the resolution, has said repeatedly that the energy problem is pressing.

I do not see why governments—including, with your permission, Mr President, the government of my own country—should, by their almost obstructionist attitude, have made the solution of the problem submitted to us harder still.

This House is not an appropriate forum for political polemics, but it is here that we should be reminded that Europe needs energy—if not at all costs, then certainly very badly.

Some unpleasant observations have just been made about the Commission, to the effect that it was getting a lot of money for talking. Perhaps. So are we! What is certain, is that the key to the problem is not in our hands but rests with the governments. I consider it a dangerous situation for Europe when governments—acting certainly from the highest, but none the less irrelevant, motives—subject to political considerations solutions to problems affecting directly our populations, in the absence of which solutions the people of Europe will never give support to our aims.

(Applause)

President. — I call Lord Bessborough.

Lord Bessborough. — I shall not repeat what I said in previous debates in May this year on the need for a European energy policy, nor what I said in a debate on the supply of enriched uranium in March. But I wish to reinforce what Mr Normanton said today and to emphasize that we must have an energy policy.

I wish here to join with what Mr Heath, the Prime Minister of Great Britain, said very recently when opening a Welsh power station. He emphasized the need for Member States to collaborate more closely over energy supplies and the more efficient use of the Community's existing sources. Those were the words of the British Prime Minister.

There is no doubt that energy supplies are getting tighter. There is now widespread concern about the future availability of oil as well as its price. We must prepare contingency plans in each country and coordinate them. These plans may ultimately result in rationing of supplies.

Members may have read the report in this week's *Sunday Telegraph* which was the principal story of that issue, 'Britain is to prepare for a petrol crisis.' It stated that a rationing scheme was being considered and would be available if the crisis developed. I do not want to be an alarmist, but I suggest the working

out of common or coordinated energy policies within the Community is of the utmost importance to us all. None of us can any longer afford the luxury of indulging in purely national preferences at the expense of other Member States. The fact that nations such as the United States and the Soviet Union are now concluding agreements about supplies of natural gas draws attention to the fact that cooperation provides the only basis on which we can deal with impending shortages.

I emphasize in particular the need for a concerted research effort on possible new resources. I agree with Mr Noè about the very important work being done at ISPRA on hydrogen research. I know that our own research authorities in Britain have a very high opinion of this work. It is possibly the best work currently in hand at ISPRA.

For these reasons, I fully support Mr Springorum's resolution which in my view has been very well drafted. Agreement must be reached on these matters.

I therefore hope that, even if the fuel supply position in Europe may not be as serious as in the United States, we can agree today that the President of the European Parliament should forward this resolution as a matter of urgency to both the Commission and the Council. I also hope that the Council will make a positive effort to tackle these problems at its meeting in the autumn. Mr Simonet, the Commissioner for energy, is well qualified to press for this. The Council must have the political will to serve the needs of the Community as a whole.

(Applause)

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission of the European Communities. — (F) Mr President, ladies and gentlemen, I have little to add to the various statements that have been made, except to express my lively satisfaction on seeing Parliament giving its support, as it, indeed, does usually, to the Commission in its efforts, which one must admit are not easy, to induce the Council of Ministers to take decisions, not only in principle but in regard to actual problems which we are all increasingly coming to see as acute.

To achieve this, we are trying—and next week I shall have the honour of submitting to the Commission some new proposals—to bring about a meeting of the Council of Ministers, perhaps, as would be best, even before October.

Simonet

Meanwhile we are trying to get in touch with all the governments of Member States, or at least with those which have shown some reservations about our proposals, in an effort to reach a positive solution this time.

In these efforts the support of Parliament, through Mr Springorum's motion for a resolution and through the Committee on Energy will be a valuable contribution.

There is, however, one small point to which I should like to draw the Assembly's attention. As far as I can see, the text before us makes no mention of the problem of the organization of the petroleum market. In fact, however, the organization of this market is an important factor of Community energy policy, and more particularly of its oil policy. Indeed, one of the points of view stated at the Council meeting on 22 May was that of a government which was of the opinion that it would be premature to begin discussions, let alone negotiations, with the other major consumer powers until Europe had the necessary instruments to support any proposals which might be made to other countries. The logic of this view cannot be denied.

In the proposals which I shall be submitting to the Commission next week, and on which I hope to be able to say a little to your committee next Thursday, we lay great stress on the need to organize the petroleum market.

The question that occurs to me—and I am not sure that this is the time and the place to pose it—is whether the committee deliberately omitted this point. If that was so, I should be happy to know the reason, for it would provide me with useful information; if not, I take the liberty of drawing the Parliament's attention to this important factor of Community energy policy.

But apart from this question which I should like to put to the author of the document before us, may I say once again, Mr President, how glad I am of the support which Parliament will give us in voting for the report. Like all the speakers before me, I should like to express the urgent hope that at last we shall achieve some decisions, for it is high time that Europe made up its mind—in other matters too, of course, but in this particularly.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

The next item is a debate on the report drawn up by Mr Jahn on behalf of the Committee on

24. Community environmental action programme and measures in this field

Public Health and the Environment on the proposals from the Commission of the European Communities to the Council on the programme of environmental action of the European Communities together with proposed measures to be taken in this field (Doc. 106/73).

I call Mr Jahn, who has asked to present his report.

Mr Jahn, rapporteur. — (D) Mr President, ladies and gentlemen, I will try to keep my comments as brief as possible in view of the late hour, in order to extend the term 'environmental protection' to our colleagues—and give a small example so that we may perhaps finish this discussion before the end of the sitting this evening, which will also be in the interest of the officials of the Secretariat.

We are now dealing with the Commission's proposals on a common environmental policy for the third time. As you will no doubt remember, we had a detailed debate on a first communication from the Commission on the policy of the Community in the field of environmental protection at the April 1972 part-session. Three months later, during the July 1972 part-session, Parliament discussed and adopted the Commission's environmental protection programme of March 1972. In both cases, we adopted resolutions which contained specific proposals. I should like to refer in this respect to the two reports, Doc. 9/72 and Doc. 4/72, which I submitted on behalf of Parliament's Committee on Public Health and the Environment.

We thought at that time that it would be possible for the Council, on the basis of our resolutions, to reach agreement in a relatively short time on an action programme setting out a detailed timetable for the promulgation of common legal acts in the environmental protection sector, with account taken of certain priorities. Unfortunately we were again being too optimistic. At the Paris Summit Conference in October no mention was made of the adoption of the Commission's environmental protection programme of March 1972. The Heads of State of Government confined themselves to confirming the necessity for establishing an environmental protection policy at Community level. They asked the institutions of the Community to prepare an action programme which included a detailed timetable by 31 July 1973. That would be in three weeks' time. It was also agreed that Article 235 of the EEC Treaty should form the legal basis for the action programme.

¹ OJ No C 62 of 31 July 1973.

Jahn

Why am I going into this in some detail? Because we cannot help gaining the impression that the Council is disregarding not only the mandate given at the Paris Summit Conference but also the provisions of the European treaties.

I would briefly like to give my reasons for saying this. The Council contented itself with exercising its option of consulting the European Parliament on the environmental protection action programme submitted to us by the Commission—and this is what the present report mostly concerns. In other words, in the Council's view, no legal importance at all is to be attached to the work done by Parliament and its committees which led to the drafting of this report and motion for a resolution. Legally speaking, the Council can carry on as if nothing had happened.

The Council is at fault in two ways in behaving in this strange manner.

Firstly, this Parliament derives its task of preparing an action programme directly from the request made, as I have already mentioned, at the Paris Summit Conference to the institutions of the Community and therefore also to the European Parliament.

Secondly, as you will remember, the European Parliament has always been of the view that common environmental protection measures should be based on Article 235 of the EEC Treaty, if Article 100 could not be applied. This view has now been expressly confirmed at the Paris Summit Conference. I feel that we should also bear this in mind where other decisions to be reached by this House are concerned. I should like to quote from the Declaration of the Heads of State or Government of the Member States of the enlarged Community of 21 October 1972: 'They were agreed in thinking that, for the purpose in particular of carrying out the tasks laid down in the different programmes of action'—one of the most important of which is of course the environmental protection action programme—'it was desirable to make the widest possible use of all the dispositions of the treaties, including Article 235 (EEC), in future'.

Both Article 235 and Article 100 make it imperative for the European Parliament to be consulted.

Ladies and gentlemen, I tabled a written question on this attitude of the Council's at the beginning of June; I have not as yet received an answer. What is remarkable, however, it seems to me, is that Mr Scarascia Mugnozza clearly indicated at the meeting of our Committee on Public Health and the Environment in Rome on

24 May that he, too, found the Council's attitude completely incomprehensible.

As a committee, we at any rate consider—as can be seen from the last subparagraph of Paragraph 1 of our Explanatory Statement—that the legal advisors in the Council's Secretariat have erred and we have therefore drafted this report as if the European Parliament had been consulted on the entire programme of action on a compulsory basis. We have also made this quite clear in the title of the report and in the motion for a resolution.

Mr President, to be added to this feeling of annoyance is another factor which is perhaps not so serious but nevertheless very tiresome and about which we have often had cause to complain in the past. Since the end of October 1972—in other words since the Paris Summit Conference—it has been clear that the environmental protection action programme should be finally adopted by the Council by 31 July 1973. The Commission submitted its draft programme at the beginning of April 1973. I cannot therefore understand why the Council needed over a month to decide to consult the European Parliament on this action programme—and even then, as I have already said, for the most part only on an optional basis. As a consequence of this, I feel, very irresponsible delay, the European Parliament and its appropriate committees—unfortunately not for the first time, I might add—have been faced with a shortage of time which could have been avoided. Also because of this unfair and unnecessary delay I addressed a written question to the Council at the end of May, without, however, being given the courtesy of an answer to this day.

Your committee, therefore unanimously came out in favour of using strong terms for the wording of Paragraph 5 of the resolution, in which we 'protest most strongly about the fact that the Council, which in this urgent matter took more than one month to decide whether to give the European Parliament a hearing at all, only consulted the European Parliament on an optional basis about an action programme based on Article 235 of the EEC Treaty and—in agreement with the Commission of the European Communities—base our opinion on the belief that this is a gross contravention of Article 235 of the EEC Treaty and of the demands of the Paris Summit Conference and that, in fact, it was consulted on an *obligatory* basis about the *whole* action programme.'

This is what we have done. We have appraised the whole programme and, following numerous discussions, finally approved it in the form of this motion for a resolution.

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I do not know if an official representative of the Council is in the Chamber. In my opinion, it would at all events be useful, Mr President, if he could give a clear and unambiguous answer here so that similar mishaps can be avoided in the future. I would therefore suggest that you, Mr President, call upon the representative of the Council to speak if he is prepared to do so.

Following these comments on the incomprehensible attitude of the Council, I should like to point out that the action programme we are now discussing is essentially the same as the Commission's former proposals and, as such, merely represents an up-dated version of the environmental protection programme of March 1972, as we have stated in Paragraph 3 of the motion for a resolution. We would therefore have preferred it if the Council had immediately begun to examine the Commission's former environmental protection programme and adopted it as soon as possible after hearing Parliament's opinion. Unfortunately, the Paris Summit Conference had to be held to give a new impulse to the common environmental protection policy that has always been advocated by us.

We are naturally aware that the adoption of a new environmental protection programme alone is not enough. The deciding factor will be whether or not this programme is filled with life by the setting of priorities and the promulgation of effective legal acts in the field of environmental protection. Of far greater importance than the programme itself will therefore be the contents and scope of the actual proposals which the Commission submits on the implementation of the action programme in the near future.

Mr President, the principles and objectives of the common environmental policy as submitted by the Commission can be accepted. Particularly worthy of note are the following statements:

The best protection of the environment consists in preventing at source the creation of pollution or nuisances, rather than subsequently trying to counteract their effects. The effects on the environment should be taken into account as early as possible in all the technical processes of planning and decision-making. Environmental protection is a matter for all Community citizens, who should be made aware of its importance. For each different class of pollution, the level of action (local, regional, national, Community, international) best suited to the type of pollution and to the geographical zone to be protected should be sought.

Such coordinated and harmonized progress of the national policies should not result in the hampering of progress already accomplished or which might be accomplished at national level.

The programme of action on the environment provides for three types of project:

1. Projects aimed at preventing and reducing pollution and nuisances;
2. projects intended to improve the environment and the quality of life;
3. Community action or a common approach by the Member States in international organizations.

The Commission rightly assumes that pollution and nuisances can best be combated by objective evaluation of the hazards to human health and to the environment resulting from pollution. Consequently it intends to set objective limits to the presence of pollutants in the environment and in products. This implies standardization or harmonization of the methods and instruments used to monitor the various pollutants so as to render comparable the data obtained from measurements of these pollutants and of their effects.

In this context, the Commission finds—and your committee agrees without reservation—that for certain pollutants, when urgency so dictates, it will be necessary to lay down common health standards before the criteria have been determined or the level of measurements standardized at Community level.

In the Committee's opinion, the emphasis in the action programme—and this the Commission's programme does—should be on the following:

- establishment of common standards governing particularly dangerous pollutants such as lead and lead compounds, sulphur compounds, nitrogen oxides and carbon monoxide;
- setting of limits on the lead content of fuels;
- setting of limits on the lead content of crockery;
- setting a maximum permissible sulphur content of fuel oils;
- regulations on the use of highly biodegradable detergents;
- composition of paints (limiting above all the use of polychlorinated diphenyls);
- setting the maximum permissible sound level for lorries, cars, motorcycles, mopeds and civil engineering machines;
- introduction of an environment seal of quality for durable products which can easily be reprocessed and give rise to only limited pollution of the environment during the production and consumption stages;
- measures to combat pollution of the sea originating from the shore;

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- immediate measures to clean the water of the Rhine if the International Commission for the Protection of the Waters of the Rhine against Pollution fails to produce any definite results by October of this year;
- limiting the residues of pesticides in and on fruits and vegetables;
- promotion of biological and integrated production techniques in agriculture;
- increased reforestation and creation of recreational areas;
- measures for the treatment and storage of radio-active wastes;
- effective action to improve the working environment, that is conditions at work;
- creation of a set of basic instruments for schools to induce young people to take an active part in solving the problems connected with a Community and world-wide environmental protection policy;
- measures to increase the public's awareness of the environment.

Mr President, in view of the short time available to me, I should like to restrict my remarks to just a few points, but firstly I wish to express my sincere thanks to the committees which delivered opinions and to the draftsmen of those opinions: Mr Harmegnies, who drafted the opinion of the Committee on Economic and Monetary Affairs, and Mr Baas, who did the same for the Committee on Agriculture.

As in the past, I have subjected these opinions, which are annexed to my report in full, to an examination in Chapter V of the Explanatory Statement. The essential points made by these committees are also to be found in the motion for a resolution.

One point is of particular concern to me: the killing of millions of migratory birds and songbirds in Italy. I don't want to go into this further but merely say that I found it strange that the Italian press should quote me as saying in interviews that 200,000 birds had been trapped in Italy. The actual figure is 200,000,000 and this is the point at issue. That is what I said in the interviews and that is what was reported in the newspapers. But I did point out that 200,000 can be shot by hunters; in other words, where there are 200,000 hunters in a country, each one can shoot one bird, but 200,000,000—they have to be trapped.

As attempts are also being made in Belgium to relax the law against the trapping of birds, I feel that we should urge the Commission and Council to have those countries in which birds

are killed and trapped take legal measures—I do not want to be more explicit—so that we can at last drop this item from the agenda, for it has caused considerable concern among nature lovers. So much for this point.

And then a further request, which concerns the planned establishment of a 'European Foundation to Improve Living and Working Conditions'. This is something basic. In past memoranda on an environmental programme the Commission recommended the establishment of a 'European Institute of the Environment', whose task it would be to develop and go deeper into the basic considerations with regard to the improvement of the living conditions of tomorrow's society. The European Parliament's attitude towards this development was and, I believe, continues to be in principle positive. In last year's resolution we expressed the following opinion on this question—and I quote:

"The European Parliament

- considers the establishment of a European Institute of the Environment to be essential, since the functions envisaged for this body, in particular the coordination of research and studies on the environment at Community level, fall into the urgent category; furthermore, this Institute must assume responsibility for specific research that can be undertaken at Community level.'

We are therefore of the opinion that the European Institute of the Environment recommended by us should be included in the chapter 'Research activities in the field of environmental protection' of the Commission's report and in the action programme. We are assuming that the Commission has selected the European Foundation to Improve Living and Working Conditions to carry out these tasks of coordination.

I would ask Mr Scarascia Mugnozza to confirm this. Apart from this specific reservation, we endorse the Commission's programme of action in this area where it is stated that the research and development activities at Community level may cover anything from simple coordination of national activities to the implementation of Community action financed in whole or in part from the Community budget with the participation of the laboratories and institutes of the Member States and, in certain cases, of the Joint Research Centre.

I am now approaching the end of my remarks, but before I finish I should just like to say a word on environmental terminology. Ladies and gentlemen, this point deserves your particular attention. It is essential that we speak a common language and understand each other in

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international bodies when environmental questions are under discussion. The Commission has commendably included a number of definitions of terms used in the field of environmental protection in Annex I and Part II of its programme of action. In view of the great importance of clear and uniform terminology in what has become a new branch of science and politics in the world we can but welcome this initiative.

I should not like to miss this opportunity to point to the useful work done in this sector by the Terminology Office of this Parliament. To date two comprehensive publications in five languages—French, Italian, English, German and Dutch—have appeared. A new, improved edition of this vocabulary is in preparation. The German Inter-Parliamentary Committee has asked to be allowed to take over this publication so that the joint terminology can also be introduced in Germany. I feel that the compilation of differing sets of terminology by the various terminology offices of the Commission, the Council and Parliament should be avoided, otherwise we will not be able to understand each other in the long run. In Paragraph 29 of the motion for a resolution we have also suggested that the other Community institutions make use of the valuable work done by the Terminology Office of our Secretariat.

I have deliberately limited myself to these few points, and tried, where this comprehensive programme, which really covers all sectors of life is concerned, not to repeat the remarks I made before this House in April and July of last year on the numerous aspects of a Community environment policy, to which many Members of Parliament have added their contributions and suggestions.

I, too, should like to thank the Commission for drawing up this comprehensive and ambitious programme of action. The members of the committee will confirm that the Commission has worked quickly and properly; the delay is not due to the Commission, nor is the pressure on the committees. Of that, I feel, we are aware. The whole programme will serve its purpose only if it can be implemented at the proper time and if all those concerned and, above all, the Council, the decision-making body of our Community, have the political will to implement it.

The Council is urged to carry out the instructions given at the Paris Summit Conference and adopt this action programme—and that is the central point of today's sitting—by 31 July 1973. Those were the instructions given at the Conference. We have made a great effort and in Parliament we almost finished our work in June by working almost the whole of Whitsun

and we would perhaps have finished in Rome if the Council had created the conditions for our decision sooner. I feel able to confirm that our colleagues in my committee and in the committees asked to deliver an opinion have made great efforts to keep to this deadline and to make it possible for us to at last get down to work and prepare the regulations for the project as a whole.

The motion for a resolution is unanimously approved by the committee. I propose that this Parliament adopt it.

(Applause)

President. — I would point out that, while there is no representative of the Council on the list of speakers, there are nevertheless nine speakers listed. If we continue in this way, we shall probably have to hold a late-night sitting, which nobody wants, since one is already scheduled for tomorrow.

Thus, although I naturally must respect each person's right to speak, I urge speakers to be as brief as possible.

I call Mr Baas on behalf of the Liberal and Allies Group.

Mr Baas. — *(NL)* Mr President, first of all a vote of thanks is due to my colleague Mr Jahn for his speech. It is not easy to compile a report on such a complex matter and to formulate the main points of future policy and define priorities. The Committee on Agriculture is indeed particularly interested in the problems being discussed. Much is said about the question of who is the greatest polluter. It is claimed that agriculture is one of the greatest contaminants of the environment.

I feel it necessary to state clearly on behalf of the Committee on Agriculture what also is stated in the report that we too are seeking a balance between the requirements of public health, the interests of the consumer and the interests of agriculture. Please note the order in which I put those items! Our first concern is public health. However the interests of the consumer and agriculture must not be forgotten.

In paragraph 69 the Committee on Public Health and the Environment discussed our proposition that the polluter should pay. I feel it necessary to make an observation on this.

We are also convinced that the polluter should pay and that no stone should be left unturned to make the polluter bear the financial consequences of his responsibility with respect to pollution. There are however branches of industry—and one of these is agriculture—which

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may find themselves in a situation where the burden which must be imposed in connection with the far-reaching consequences for public health and the environment becomes too heavy. It is for this reason that we have drawn attention to the possible financial consequences for agriculture and for no other reason.

We are also convinced that agriculture must bear its own responsibility but agriculture would be especially badly hit just as there are special branches of industry which may be hit particularly badly not only by having to pay the necessary contribution but much more so by what we call passive policy, the policy of permits whereby discharge may no longer take place at certain places. I believe that we must ask the Commission to put much more emphasis on that aspect of the question than has been the case so far. Many people think that if they pay this gives them a licence to discharge. However it must be clearly stated that with reference particularly to the passive policy, the permit policy—and here I associate myself entirely with the observations made on this point by Mr Jahn—requires a common approach and the evolution of common criteria to form a basis for the granting of permits. I doubt whether we could go so far as setting certain threshold values but we could of course determine within the permit policy of the Community to which components of discharges of harmful substances a prohibition would apply.

Mr President, I now come to the interesting question whether modern agriculture will be able to subsist without the technical and technological developments which are now in progress and whether we must return to natural methods in order to curb pollution. I do not believe that this question is realistic. We are unable simply to stop the clock never mind putting it back. That is inconceivable. We could go so far as to make the granting of permits dependent on certain conditions for discharge if agriculture continues to develop in the way and to the extent that we can observe at present in poultry and calf breeding. This is then not a case of prohibiting discharges but simply making such strict conditions that a very large part of the advantage of the discharges should not be outweighed by the burdens represented by the extra measures which firms would have to take.

Mr President, I believe that for technical and technological reasons we are not able to stop the clock, never mind putting it back. Nor can we think of doing so if we wish to create the living conditions we all want. We know that motorised traffic is responsible for 50% of air pollution, while 15% is caused by domestic combustion and 35% by industry. If agriculture

as a branch of industry is to be required to curb its technical and technological progress, I believe that a similar relentless attitude must be taken up with reference to air pollution and in particular to traffic. I believe that the answer must be sought with greater justification in strict regulations for exhaust gases. Our colleague Mr Jahn was also proceeding in that direction. In that case we must also impose the same requirements with respect to the heavily industrialized agricultural sector.

I believe that the Commission is being too optimistic in saying that the investigation into the ecological consequences of the application of modern production techniques in agriculture must be concluded by the end of 1973. The balance which we wish to have is an unknown factor.

None of us knows what balance must be taken as our target. None of us knows what results certain production methods will have. I am pleased that an investigation is to be launched. But as far as the presumption of the Commission that it will be able to conclude the investigation on the ecological results connected with industrialized agriculture by the end of 1973 my only remark is, just forget it.

As long as we do not know what balance we are seeking and what the results for ecology will be, it will be impossible in my opinion to come to a final conclusion. We tamper with the balance of nature every day. We must live with the results of our tampering. This is an observation we already made with regard to, for example, bird breeding sites. According to the Committee on Public Health and the Environment this is not the highest priority.

A large number of birds however die because we use certain chemicals which we can ill afford to do without. If we were to do without there would be other repercussions. The Committee on Agriculture was of the opinion that one of the highest priorities was to restore in some degree the balance in the bird world. The Committee on Agriculture urgently requests the executive to energetically promote international legislation for the protection of the environment.

Our committee is naturally worried that unfair competition may arise as a result of certain regulations. Once again the Committee on Agriculture also accepts very strict limiting regulations. On the other hand this branch of industry must not be put into such a competitive position that it should find major stumbling blocks on its path. For this reason we urgently request the Commission to create a skeleton regulation on environmental protection for the Community and to plead for international

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environmental protection legislation at international meetings on behalf of the Community so that a synthesis may be reached for the whole Community in such a way that this branch of industry is not confronted with consequences which may be incalculable.

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

Mr Noè. — (I) Mr President, honourable colleagues, I should like first of all to thank Mr Jahn, not only for the report which he has presented today, but also for the preparatory work of the whole preceding year, including preparations for the Vienna Conference which enabled him to accumulate experience and documentation which are now becoming invaluable. I should also like to thank the Commission which, with only a handful of experts, managed in a short space of time to provide us with material for thought which, we hope, may ultimately result in action, if the Council proves amenable enough to permit it.

Having said that, Mr President, I shall heed your admonition and be extremely brief, especially in view of the late hour. I shall confine myself to a few observations and a conclusion, which I shall develop later.

Let me begin with paragraph 13 of the resolution, because it deals with both an important and a rather sensitive matter. Paragraph 13 states that products should bear a seal indicating whether or not they are liable to contaminate the environment. Well, this is a very subtle point. I remember that in the study on non-nuclear subjects for joint research centres the proposal was put forward (it has still not been adopted) that, for example, the Ispra Centre should undertake a systematic spectrographic analysis (such as is at present going on in the United States) of products with large sales-volumes in order to build up, over four or five years, a store of comparative scientific data on the amount of pollution that can be caused by a fertilizer, an insecticide, etc. When fed into a data bank, the results of such a study, had it been approved, would have provided a solid basis for achieving the objective I have described.

Leaving aside this long-term aim, I want to turn to one that could be realized in the short-run: packaging could be labelled to show whether or not it is destructible. I think little time would be needed to reach agreement on the precise meaning of 'destructible' by reference to that pollution with non-degradable matter which so often disfigures the countryside. Though it would be necessary to proceed with great care in this matter, it is one in which progress could be made.

Paragraph 14 envisages the establishment of a 'de-pollution' industry which implies also planning technological research. On this point I should like to make one observation. Admittedly, technological progress is desirable, but the most important thing is that in all industrial planning the need to build less polluting plant should be recognized. This is a more constructive approach and it brings out the need to coordinate environmental policy and industrial development policy. These two domains cannot be separated, and within the Commission should be closely interrelated.

Our Chairman, Mr Springorum intends to initiate shortly in the Committee on Energy a discussion on the subject debated by the Club of Rome. Whatever may be thought of the way in which the Club's work has evolved, there is no doubt that in the political field a debate of this kind can increase the awareness of politicians, such as ourselves, precisely about those choices which have to be made concerning production processes, with regard to the degree of pollution to which they can lead.

To continue. I readily support paragraphs 23, 24 and 25 of Mr Jahn's resolution, because undoubtedly greater publicity for facts relating to pollution can only be desirable, in view of the harm that is often done even by the periodical press which, by presenting pollution phenomena as reprehensible *tout court*, without making a comparison between the method actually used and alternative solutions which would have to be adopted to obtain some improvement, creates confusion without contributing to a serious examination of the problem. For example, in my own country there was criticism that the hydroelectric plant at Valtellina during the September of a particularly rainless year was reducing the water-level in the river Adda, thus making it less picturesque; but those conducting the campaign of criticism were careful not to draw up a balance between this 'visual' pollution and the pollution of the atmosphere by sulphur dioxide which would have resulted if the same quantity of energy had to be produced by fuelled power stations. In general, then, dissemination of information in this field can only do good.

The only point of the resolution on which I am not entirely in agreement with Mr Jahn is paragraph 28, which urges the Commission to make contact with research establishments in third countries in order to study the possibility of taking more effective measures for maintaining or restoring a balanced oxygen supply on our planet. It is my opinion, Mr President, that at the local level extremely serious situations exist: I have in mind my own city of Milan, or certain

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areas of the German Rhineland and, outside Europe, some areas in Japan; nevertheless I feel that this aspect of the general problem of the equilibrium of our planet has been somewhat exaggerated. Since an order of priorities must be established, I believe that we should direct our attention in the first place to situations which have already reached a critical level and are threatening the health of millions, and not concern ourselves so much for the present with the problem of the oxygen content of the atmosphere, which is certainly important, but does not constitute an immediate danger.

In concluding I should like to re-emphasize the remarks made by our colleague, Mr Bass, on behalf of the Committee on Agriculture. The Commission, he was saying, will be hard put to it to adopt in 1973 decisions regarding which he, very realistically, would be satisfied to know that during this year at least some basic information had been acquired. That is also my hope—that during the current year an analysis of all these problems in present-day terms might be undertaken, so that we may know more and be able to make ever wiser decisions.

We should, as I was saying in connection with the energy problem, provide ourselves with an appropriate and exact mathematical model as a basis for taking decisions. That is our duty, if we want to be equal to our task. It is not a question, I repeat, of taking immediate decisions, but rather of preparing the instruments which will enable us to take them in the near future on the basis of exact data.

With this hope, which I humbly submit to the Commission, I shall now conclude, while thanking the rapporteur and assuring him of the Christian Democratic Group's cooperation and support in the policy of protecting the environment.

President. — Thank you, Mr Noè. You have used only half your speaking time, and I hope this example will be followed by others speaking on behalf of their groups.

I call Mr Della Briotta on behalf of the Socialist Group.

Mr Della Briotta. — (1) Mr President, ladies and gentlemen, the Community programme of action presented by Mr Jahn in the report for which we are all indebted to him, comes at a moment of heightened public interest in Europe and the world. Environment is the subject of scientific discussion and of political debate. The recent French general election has shown, for instance, the primacy of environmental policy, as, a few

months earlier, did the elections in the German Federal Republic. In my own country, where serious problems exist in connection with the present economic and monetary situation, ecological policy is mentioned in relation to the new government's programme of action.

There is a growing popular consensus about the fight against pollution, about the conservation and restoration of the environment, and there are initiatives aiming at the improvement of the quality of life which are praiseworthy and which, I believe, should be used to orient us in the right direction, away from indiscriminate consumption.

In the view of the Socialist Group the programme of action is a serious contribution in this respect, comes at the right moment and is valuable, because whatever could be done in this area at the level of national policies would encounter insurmountable obstacles. The policy needs, therefore, to be placed in a supranational setting, such as the Community precisely provides—a setting admittedly inadequate, but the only one with an institutional basis and capable of transcending national frameworks. This implies, of course, the involvement of all social groups interested in these problems, which are highly complex, particularly in the technological aspect, and have enormous social, economic and financial consequences, with huge interests at stake, of which the average man should be made aware, as he should be made to realize that environmental policy leads to costs which must be known—as the Economic Affairs Committee suggests in its opinion. How should these problems be tackled? By greater democratization, by clearly defined powers, by reliance on the support of public opinion and mass popular movements. Judged in these terms, the programme of action provides a valid solution. It has a limited legal basis in the Treaties: the ECSC Treaty which grants direct but circumscribed powers, the Euratom Treaty which takes in to account a restricted range of phenomena, the EEC Treaty which unfortunately does not provide for specific, but only for indirect legislation. With these vague legal principles we have arrived at the programme today before us, which is a reiteration of other programmes submitted earlier, but which represents the Community's first response to the decisions of the Paris Summit of October last, a response given within the time—limits laid down, on which I should like to congratulate Commissioner Scarascia Mugnozza.

Passing now to the content, I should like to stress the way in which the programme pinpoints those problems—both in the area of choices to be made and at the operative level—

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with which the directives should deal. And here I should like to express the hope, shared by our whole Committee, that appropriate measures in national legislations will follow.

It seems to me that the fundamental value of this document lies in its determination of objectives for a Community environmental policy and in a general definition of the measures which should be taken within the framework of the Community programme concerning the environment and action aimed at reducing pollution and other nuisances.

It is, as I said, a question of the right choices, both in principle and practice, based on an overall view of environmental policy and with the possibility of intervention at the local, regional, national, Community and international level.

Another important principle embodied in the programme is that the polluter pays. This is a major problem in the context of environmental improvement and one can only hope that the principle will not be interpreted as a licence to destroy ('once you've paid you can do as you like'), with possible temporary exceptions to be defined at Community level, intended to prevent inequalities and distortions.

Next comes a general definition of action to be taken within the framework of the Community programme. This, I support, for I believe that it is of enormous importance, being interrelated with the Community's energy and industrial policy, the implementation of which will undoubtedly lead to considerable progress in the harmonization of the environmental policies of States.

But a Community programme concerning the environment cannot be restricted to conservationist measures in the fight against pollution, and in fact it does contain interesting ideas on the improvement of the environment, which I shall not recount, as they are adequately expounded in the document itself.

I fully support this part of the programme because it embodies some very important principles, on the assumption, of course, that it will not remain confined to declarations alone.

Reservations, however, do arise when one thinks of the restrictions imposed by the fact that the Community is not given any direct powers. Mr Jahn made clear in his report, and I should like to re-emphasize, that this is true both in regard to sanctions against defaulters and to funds for the implementation of pilot projects. In real terms—I would refer here to what I said earlier—there is no European penal law and the EEC does not yet have its own income which

would enable it to deal with these problems. As far as European penal law is concerned, I would be satisfied for the present if the rules regarding the burden of proof were clearer in individual States. An eminent colleague was telling me yesterday of the complications he encountered when he took a big company to court. It is obvious that everything is ultimately referred back to national legislations, while the Community is left with the task of laying down directives and principles. It is obvious that this is what happens, but I am sure there are many in this House who take it for granted that there will be delays and shortcomings—particularly if the support of public opinion and of youth is lacking.

Another limitation concerns a problem which has been discussed by our Committee. The document before us does not resolve clearly—except perhaps at a compromise level—the dilemma as to whether preservation of the environment should be given priority over production requirements, a dilemma which certainly does not face Europe alone.

Industrial activity is the most conspicuous factor affecting the life of a country: it creates jobs and incomes and determines consumption, but at the same time it is the cause of degradation of the environment in which it is located, by giving rise to polluting products. Old-car dumps, noise, agricultural pesticides, indestructible plastics and non-biodegradable detergents immediately come to mind.

This is a problem that has not been, and perhaps cannot be, solved in present-day Europe, given the differences existing between the economies of different States, with a prosperous North and an underdeveloped, or if you like: slowly developing, South, and with the consequent variations in awareness of these problems.

It was no accident that at the world conference in Stockholm some representatives of the Third World expressed doubts about some aspects of environmental policy which some of them considered the latest invention of rich and already industrialized countries for keeping the new countries, recently freed from colonial domination, in a state of economic subjection and underdevelopment. And I must say that I personally have heard echoes of such reasoning in my home province, which is the poorest in the richest region of my country, when attempts are made to advance the cause of conservation of the environment, when it is suggested to local authorities that fewer roads should be built in the mountains, that communal forests should not be cut down, that a little forethought should be exercised in encouraging tourist development or in extending building areas in their communes.

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People living in such areas in conditions of great hardship are prone to view appeals for the preservation of the countryside and attempts to apply the corresponding legislation as an imposition of outside interests on the part of people who live in towns, where there is work for all, where for several generations there has been prosperity, but where everything on the face of the earth has been used up, including land and water.

These are quite persuasive arguments, unless we can oppose to them a policy of local development which will allow people to live without having to waste irreplaceable, non-recoverable goods, such as land.

I am well aware that these are problems which relate to other policies besides that on environment; but I feel that they must be aired, so that the concept of globality contained in the programme does not become reduced to mere words.

I must note that on regional policy the programme contains only a few indications, and Mr Jahn very rightly has taken up the suggestions which emerged from the debate on the subject in our Committee, urging the Community to accord more attention to this problem. I should like to restate these remarks. At the heart of an environmental policy lie problems of town-planning, in respect of which we should make up our minds what are the limits of private ownership when new houses have to be built or new industries established, and which are the areas which should remain intact or be put to a different use.

I realize this is a highly controversial and very thorny question, the subject of political and legal battles—particularly in my own country, where opinions which would be regarded as moderate or mildly reformist in other Community countries are seen as subversive and revolutionary.

I therefore shall not dwell on the subject or envisage the kind of solutions I should wish for. I must say, however, that an effort to advance regional policy must be made, courageously and consistently, if we do not want to see a precious boon wasted for ever.

Within the ambit of this environmental policy come policies for the creation of national parks, natural reserves and recreational areas and for the preservation of agricultural areas. The programme contains some quite specific commitments, such as the directive concerning mountain regions and other poorer regions, or afforestation measures. I hope that this ecological aspect will prove to be more than mere window-dressing. I say this because indications so far have not been very reassuring,

especially so far as provisions for mountain areas are concerned. If we do not secure a living for a certain number of farmers in Europe's mountainous regions, these are likely to fall prey to the ravages of the elements, or, worse still, of undesirable tourist developments of which we have already seen examples. I trust that, with this in mind, our colleagues who concern themselves with agricultural problems and are worried by agricultural overproduction will not subordinate the survival of hill farming to that consideration alone. This is a frank and honest debate, as is that concerning the preservation of wildlife, in which my country, deservedly, stands accused.

We are grateful for the contribution which the European Parliament will, unanimously, I trust, make to the solution of this problem. I want particularly to acknowledge what Mr Jahn has accomplished with the questions he has tabled and the reference material he has included in his report which has received wide and favourable comment in the Italian press.

Before concluding, I should like to mention the problem of the ecological consequences of the use of modern production techniques in agriculture. Mr Baas was stressing earlier that we must proceed with extreme caution and make sure that agriculture does not come to bear the cost of environmental restoration; I feel, however, that the use of poisonous pesticides, for example, is a major problem which must be faced.

The Community programme provides for coordinated research. Some research is already in progress, in my own country among others; Mr Baas claims not to have heard of such research, but actually work of this type is being done throughout Europe, by universities, research scientists, economic organizations and by farmers who are aware how much is at stake. Knowing, however, how slow the farming world is to accept innovation (even if, as in this case, it is not a question of innovation but of rediscovery), I think the Commission would do well to put the results of this research into operation as soon as possible. I know, for instance, that in Switzerland experiments are going on which could serve as a model for the Community: we should avail ourselves of this experience.

I conclude this contribution to the present debate, on behalf of the Socialist Group and in my personal capacity, by expressing approval and appreciation of the work done by Mr Jahn and announcing that our Group will vote in favour of the final resolution and the accompanying document.

(Applause)

IN THE CHAIR: MR DEWULF

Vice-President

President. — I call Mr Premoli on behalf of the Liberal and Allies Group.

Mr Premoli. — (*I*) Mr President, ladies and gentlemen, parliamentary etiquette dictates that every speech should begin with praise for the rapporteur. In your case, Mr Jahn, I undertake this task with thorough conviction: your report is full of suggestions which, if taken up by Member States, could bring about that transformation in the quality of life of the citizens of Europe which we should all like to see.

What strikes me most in the report is its realistic spirit, the forthright assertion that it is time to have done with ecological rhetoric and to proceed to practical action; and the consequent justified protest against postponements and failure to meet deadlines.

But perhaps I am going too far. I apologise. It is in my nature. In fact, there has been more than speech-making done in this field. The rate of pollution has not, so to speak, increased since we became aware that we were heading for an ecological catastrophe. A growing number of particularly polluting power stations—I am thinking now of my own region of Venetia—have been the subject of protests from neighbouring local authorities which, at an earlier time, would have welcomed any such installation unquestioningly. The pity is that this worthy example is not universally emulated—I am again referring particularly to Venice which neglects its historical relics to the sole benefit of industry which makes that city ever less attractive.

Protection of the environment does not imply turning one's back on all forms of industrial development: let us be clear that we are no Luddites. But neither are we prepared to tolerate the excuse of industrial development for unrestrained pillaging and treacherous violation of our continent. It is a matter of urgency, therefore, to find a balance between everyone's desire to acquire more material goods and the collective need to improve the quality of life.

To return to the example of the Luddites: just as machines did not cause irreparable damage to the working classes, and in fact helped them to eliminate the most arduous part of their labour, so for industry, always on the look-out for new markets, ecology could prove the sovereign remedy—if only industry can produce antidotes to pollution.

And here it should be stressed that in this field, above all, the chances of success will be high only if the battle is waged seriously at Community level. For several reasons: the first being that an environmental policy that is not merely superficial requires vast financial resources, the burden of which must be distributed according to Community rules, so as to avoid distortions in the costs structure which would have a deleterious effect on free competition. The second reason is that ecological disequilibria are particularly injurious to areas straddling national frontiers: pollution of sea or river waters, poisoning of the atmosphere call for remedies which cannot be specifically Italian, French, British or German, but must inevitably embrace Community solutions. This is why it is essential to harmonize speedily legislation on taxes and on all other matters bearing on the financing, or particular provisions, of environmental policy, as well as on the equitable division of burdens in relation to responsibilities—as the Committee on Economic and Monetary Affairs rightly points out in its opinion.

Then we must consider the close interrelation between different sectors of environmental policy. In his report Mr Jahn correctly points out that the annual slaughter of millions of migratory and song birds causes a serious biological imbalance in my country and, indeed, in the whole of Europe. The consequence of this massacre is an increase in plant parasites which, in turn, necessitates large-scale employment of insecticides, frequently harmful, as we know, to both man and the environment. I have quoted this example for the sake of brevity, because it brings out clearly that we do not have a genuine environmental policy, since the existing policy is conceived in sectional terms and takes no account of overall criteria.

We are all ready to celebrate the 5th of June—World Environment Day—but we do not always make that modest personal, and hence national, effort which is essential. This is particularly true of us Italians whom Mr Jahn does well to criticize with his written questions on the slaughter of birds of which I have spoken.

But let us return to the central theme. Community regulations should indicate more precisely the respective spheres of competence of local, national and Community bodies, so that those authorities which are inspired by good will should be better aware of their responsibilities. For the fact is that the multiplicity of initiatives, poorly coordinated at that, makes it difficult to trace a clear line of action, results in the time-honoured practice of buck-passing and further impedes the passage from words to deeds.

Premoli

The need to protect the environment is old, but the methods and measures are new, for the danger has never before been so great. It would be well, then, to put a little order into the various initiatives that have been recently set on foot, and as a start, to prepare some up-to-date, effective and clear legislation. The example of present-day Community organs seems to me highly instructive in this respect.

Another section of the Jahn report to which I am pleased to draw attention concerns town-planning. Many of our hopes for improving the environment are pinned on this. As was pointed out by Liberals at the recent seminar in Venice, it is important to prevent the uniformization of modern cities, which are all becoming monotonously alike. Town-planners should also avoid the massacring of coasts and characteristic landscapes and prevent industrial developments which disfigure the countryside and cause a nuisance to local communities. No doubt, the old battle will once again flare up against artful dodgers flouting the law with their speculations and, may I add, cutting off their noses, for as citizens they, too, will ultimately suffer the consequences of their deeds.

All this involves, of course, complex employment problems, for we cannot expect such far-reaching reforms not to encounter obstacles. The policy envisaged should therefore promote regional initiatives, which in my opinion it would be appropriate to discuss in this context, and should be coordinated with social measures.

Finally, to enlarge on two of the very many points in the Jahn report: the pollution of water and the rising amounts of harmful substances (lead, mercury, etc.) absorbed by our bodies. I shall surprise no one by recalling that the Japanese, those great consumers of fish, have been obliged to reduce their daily intake of that food because of the danger of mercury poisoning. This is a warning to us, in view of the insufficient outfall and natural cleansing of the waters of the Mediterranean. And the information becomes even more disturbing in the light of the prediction made at the recent congress at Portovenere, that the sea will provide the solution to the world problem of undernutrition. (Let us not forget that there is still much hunger in the world, as witnessed by the death of 50 million Indian children over the last ten years.) We should not underestimate the resources of the sea as a possibly invaluable food reserve for the human race, capable of supplying the growing protein requirements of the Third World.

At a time of shortage of energy resources, such as we are experiencing at present, the sea could solve for decades the problem of hydrocarbon supplies: it would be a boon to avail ourselves

of these resources on a massive scale, provided we remember the dangers of indiscriminate exploitation without the necessary precautions.

And finally, as far as my own country is concerned, one must acknowledge the unpalatable truth that it has been slow to appreciate the need to face and solve the problems of environmental protection without further delay.

At a congress just held at Urbino there was bitter criticism of the many 'blank' years in environmental policy and of the dramatic shortage of scientific services and of centres for the collection of data on the deterioration of our natural heritage. It was also recalled there that Italy ranks last among EEC countries in *per capita* public expenditure on environmental research, and attention was drawn to the fact that in our country the dreadful deterioration of the physical environment has been encouraged by speculative and chaotic urban development consequent on rapid industrialization.

To quote but one example: urban areas, which in Italy comprise barely 1.8 per cent of the total land area, account for 50 per cent of the total population, or over 60 per cent of those engaged in industry and over 60 per cent of those in tertiary occupations. In these areas the density of population is 1550 per square kilometre.

Without dwelling on the dramatic environmental problems to which such a situation gives rise, we only wish to express the hope that in these ecological Middle Ages in which we are now living we may awake to the need for co-operation with other Community countries for the preservation of the environment in which today's and tomorrow's citizens of Europe live and breathe—and should breathe easily.

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

Mr Yeats. — I should like to join those who have paid tribute to the extremely thorough report which we have before us. There is no doubt that Mr Jahn has put in an enormous amount of work. He has assembled a great mass of information in the report and has set it out with the utmost clarity. I can assure him that any criticisms which I may have to make are directed not at him but at the proposals of the Commission on which this report is inevitably based.

As we all know, the problem which we are discussing is particularly difficult and complex. Each year that passes sees the damage to our environment grow ever more serious, and yet, alas, almost nothing has so far been done to counter it. We all, perhaps many years too late,

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now recognize the urgency of the problem. We know that the damage which has already been done may in certain respects be irreversible. We know that as matters stand there is a strong probability that in the next five to ten years the pollution of the environment will have reached such a level that in many areas the whole balance of nature will have been permanently destroyed.

Perhaps the real difficulty which we face is that in our constant efforts to improve our living standards we also inevitably come into constant conflict with the environment. By our own deliberate choice in all countries we have embarked on a road which leads us inexorably to a situation of ever worsening pollution. As personal consumption increases, obviously so also must industrial pollution. Modern ways of living damage the environment through the increasing use, for example, of indestructible packaging materials, various dangerous materials used in the manufacture of detergents and in many other ways.

As population increases so of course do sewage problems and our cities become ever bigger and more unpleasant to live in. The motor car, as an obvious example, each year does ever more to damage the environment not merely by reason of its noise and exhaust fumes but also as a result of the endless roads and motorways that have to be created for its use.

Our problem is that at the same time as we talk about protecting the environment all our economic and social policies are directed towards ends which in themselves must create still more pollution. I am afraid we must accept there is no real answer to this. Obviously we cannot go backwards and try to live again in eighteenth century conditions. We must be realistic about this. We will have to recognize that never again will we have a world environment free from pollution. All we can do is to try to prevent unnecessary pollution from occurring in future and eliminate or control existing sources of pollution wherever possible.

The proposals submitted by the Commission are very thorough. They show clearly the extreme complexity of the problems with which we are faced. On the other hand, the Commission appears to have little concept of the extreme urgency of the situation. After all, as the Committee on Public Health and the Environment has rightly pointed out, the European Parliament was discussing this matter way back in 1970. Here we are today with nothing whatever yet accomplished at the Community level.

The Commission's proposals in themselves are full of references to further study, further discussion and further negotiations. In the course

of his interesting speech, Mr Noè mentioned rightly that the Commission in its proposals had given us much food for thought. I would vastly prefer that it had given us some real action. Nothing has yet been decided as to practical action. No legislation has been enacted. We are a long way from any real decisions which would have a principal impact on environmental questions.

In the course of his report, Mr Jahn pointed out rather sorrowfully that since 1968 the Council has had before it a proposed Commission regulation on residues of pesticides in and on fruit and vegetables, and nothing has been done. As the report points out, the Council clearly lacked the political resolve to reach agreement and special national interests were prevailing over monetary requirements. This is the kind of situation with which we are faced.

It may be that we are trying to do too much all at once. By trying, as I believe the Commission is in the report, to create a complete and all-embracing policy for the environment, we may be making sure that there are many more years of delay before anything practical is accomplished.

Surely it would be more sensible for the Commission to frame an interim policy under which certain limited objectives could be set for immediate action. In other words, we need a much stronger set of priorities than anything that is contained in the Commission's proposals.

We can all agree with the Commission's view — it is almost a truism — that it is much easier to prevent pollution than to try later to counteract its effects.

Throughout the world there are various horrible examples of what happens when pollution reaches a certain stage. One thinks, for example, of the great Lake Eyrie between Canada and the United States where pollution has progressed so far that all animal life is dead. Indeed the situation is so bad that the 'waters'—I do not know why one uses the word waters—catch fire spontaneously from time to time. Obviously when a situation has reached that stage, even though pollution were to stop overnight, it would be generations, perhaps centuries, before the problem could be solved.

I am not sure that I agree with the committee when on page 12 and earlier on in paragraph 8 of the motion it suggests that the first priority should be the ending of existing sources of pollution followed or accompanied, as a second priority, by the prevention of new sources of pollution. I think that they have

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these priorities the wrong way round. Surely it is much easier to prevent new sources of pollution starting up by new factors being built, which will pollute the rivers and lakes, than to close down sources that have existed for generations. In this matter we should try to adopt policies which will be effective rapidly; in other words, policies which are more simple to carry out.

If we could reach the situation where we had established a practical method of preventing new sources of pollution, we would, to some extent, have stabilized the entire environmental problem and it would be possible gradually to eliminate existing sources. We must always bear in mind that the elimination of existing sources of pollution creates enormous economic, technical and social problems. It is very easy to say, as several speakers and the committee have said, that the polluter pays. To say 'The polluter pays' is a fine, ringing phrase which conveys an impression of great millionaire businessmen producing vast sums of money out of their pockets to pay for the damage that they have caused to the environment, but that does not happen. These gentlemen do not pay anything. In the long run, the consumer pays through higher prices.

There is a far more serious aspect to this matter. In many instances, the ending of pollution must mean the closing down or, at any rate, a considerable reduction in production by large industrial plants. We have here a situation where perhaps an entire area may suddenly find that the useful employment to which it has been accustomed for generations disappears in the interests of the environment. These are serious problems with which it will be difficult to deal. We should not mislead ourselves into thinking that they are easily or rapidly solved.

I agree with the committee that an education programme is vital. No real progress will be possible, no matter what legislation is passed or what regulations or directives are made, unless the man-in-the-street appreciates the need.

About two years ago Parliament asked the Commission to produce a simple, straightforward statement on the problems of the environment in order that the man-in-the-street could appreciate what was involved. It has not done this. This is not a complicated problem of ending existing sources of pollution or anything like that; it is a simple, straightforward matter that could be dealt with in a month. The fact that it has not been done suggests to many people—I hope that I am wrong—that there is not the sense of urgency about this matter that there

ought to be. There is no doubt that education is necessary.

We are all against pollution. It is like being against sin. However, we all tend to feel that pollution is essentially the other man's problem, not our own.

I will take an obvious example. Many of us drive motor cars every day perhaps quite long distances to whatever city we may live near through congested roads. If we were told by the local authority that one day a vast new eight-lane motorway was to be built so that we could sweep into town in 10 minutes instead of possibly an hour, we would welcome it and would ignore, because it suits us, that the new motorway would probably lead to the demolition of hundreds of houses in which ordinary people live and would certainly make life intolerable for many thousands more.

We have an interesting situation in Ireland. We are fortunate because we lack heavy industry, have a low population, and therefore have relatively few pollution problems. However, we have some problems. In recent months two proposals have been made for the setting up of large oil refineries: one in a lonely but very beautiful part of the south-west coast on an off-shore island; the other approximately two miles from the centre of the capital city of Dublin. The one in the rural area would clearly lead to tremendous damage to an extremely beautiful part of the country and its amenities. The other, near the centre of Dublin, would clearly make living almost intolerable in a pleasant residential area. On no conceivable count could either of these proposals be allowed. Yet we have in the one instance trade union demonstrations in the streets of Dublin attacking those who are interested in ecology and are trying to prevent the place being built. On the other hand, we have the natural desire of people in rural Ireland to have an oil refinery with the consequent employment.

What are we to say to these people? Are we to say, 'You must give up these opportunities of employment for yourselves and for your families in the interests of ecology?' It is not easy to say that. All of us must learn precisely what is involved, and it is therefore very important that a full-scale education campaign should be launched by the Commission.

I stress the extreme urgency of this matter. We must not try to do everything at once—we shall not be able to do it—but we must set out urgent priorities which can lead to immediate action at least in some fields.

(Applause)

President. — I call Mr D'Angelosante.

Mr D'Angelosante. — (I) Mister President, ladies and gentlemen, I wish to make a very brief contribution to the discussion of this report by my colleague, Mr Jahn, and of the document embodying the two proposals from the Commission to the Council and to limit myself to general aspects of the question; nevertheless, I feel that one cannot but point out the profound contradiction between the seriousness of the health, environmental and social problems raised by the matter we are discussing and stressed by all the colleagues who have spoken before me and the modest nature, in fact even the timidity, of the solutions proposed to us and, even more, the contradiction between the seriousness of these problems and the deadlines set for arriving at solutions to them. As you will know, ladies and gentlemen, we are dealing here for the most part with projects and surveys which the Commission proposes to the Council to be undertaken, studies and projects which are seen as coming to fruition after an almost biblical span of time.

I would like to give one example and one only. On page 23 of Mr Jahn's report, there is a reference to one part of the programme proposed by the Commission; this part deals with the problems connected with certain particularly active polluting agents, namely, cleaning and conditioning agents, products for the treatment of plants and animals, products containing heavy metals and chemical reagents used in industry. As far as some of these products are concerned, the discussion on them from the ecological and health point of view have been going on now for decades; nevertheless the Commission sets itself the task of restudying the old question from the very beginning, but it sets itself a deadline which makes a farce of the entire discussion we are now having. The Commission feels that it can set 31 December 1976 as the deadline by which these problems will have been studied: not solved, mark you, but studied.

Mr President, ladies and gentlemen, we cannot accept this state of affairs. There is something behind all this timidity, this fear, this tardiness in dealing with products, the harmful nature of which is amply documented, as for example the pesticides, whose harmful effects are known by now even to elementary school children, yet the Commission proposes to the Council that lengthy studies be made and, when these matters have been studied at length, it proposes not the elimination but a reduction in the use of these products.

It is not out of malice but out of a desire to keep strictly to a conscientious and objective

survey of the facts that I must remind you at this point that there is a tendency to favour profit to the detriment of public health, which shows itself in a whole series of Community regulations like those governing the manufacture of certain food products and also in a series of national regulations.

In my own country, the Minister for Health, acting against the advice of distinguished scientists, has authorized the sale of medicinal products condemned as dangerous by scientists, university professors and distinguished doctors. Here it is not just a case of the difficult choice, referred to a little while ago, between the need to protect the environment and the need not to retard economic development but there is also a dilemma caused by the need to subject all other interests to the profit motive!

Ladies and gentlemen, you know probably better than I do that the truth of the matter is that ecological problems do not spring up of themselves; they are not the result of an arbitrary and irresistible upheaval in nature, but they spring from a particular form of economic and social organization.

In this context I should like to recall a very fine speech, from which I will quote only a short extract, made by the former President of the Executive Commission, Mr Mansholt, who at the ecological conference in Stockholm in 1972, addressing himself to the chairman of the conference, said, and I quote: 'I should like to thank you also for the magnificent contribution which you and your fellow-workers have made to the preparation of this conference. In the three years of preparatory work you have collected a large quantity of material, you have had this material examined and presented to many government representatives, you have collected the relevant opinions of the scientists'. You will forgive me if I point out that now the Commission is proposing to us that these studies should be continued until 1976.

Mr Mansholt went on to say: 'We also know what the most important problems are, namely, the pollution of the seas, the deterioration of the soil, the ecological balance of nature being upset, the deterioration of the environment, and we know that these are caused by the uncontrolled expansion of production and consumption in the richer part of the world and by the poverty and misery of the poorer part of the world'.

Evidently the Commission no longer shares this vision of the world or the philosophy underlying it. For example, one positive principle suggested is to place the burden of the damaging consequences of pollution on whoever is responsible (the polluter pays); but it is not clear how and

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when this rule should be applied, which tends to reduce its import.

In Mr Jahn's report there are already hints of reservations. For example, not only industries but also individual polluting citizens must pay which puts a large firm such as Montedison, which, in Italy, has discharged tons of polluting material into the Tyrrhenian Sea off the coast of Corsica, on the same level as the citizen who goes to have a picnic and leaves some rubbish behind. In addition the principle is to be construed and interpreted in broad terms; and it is not clear, or all too clear, what this expression means.

Also, this action involves aid for restoration and compensation financed from the public purse. But anti-pollution and protective measures financed by industry must not require investments, which distort competitive conditions. Thus we reach a matter of religion, because it is clear that competitive conditions are God and law to us. It may not be clear, but this God colours our discussions too. But it remains true that we cannot make a fetish out of competition and hope to save the environment: we must make a choice.

The truth is that the process which we intend to correct is based on the manner and rhythm of the Community's social development. But we cannot separate cause and effect or draw a clear line between environmental and general community policy.

The conditions and levels of employment are the causes of the great migratory wave and hence the deterioration of present working conditions in factories. No serious action has been taken to improve the intolerable conditions of factory life, in particular, the production-line system, the speed of the production-line, piece-work, and overtime.

The proposals under consideration make some reference to these questions but propose no solution. We are paying for the difficulties of the Community's present situation and its subordinate position with respect to other choices and interests, whose identity is no secret.

The unsettling movement of large numbers of workers from agriculture to other sectors has left mountainous, hill-side and other less favoured areas largely abandoned. This has led to a deterioration of the hydro-geological balance with increasingly grave consequences for abandoned and neighbouring territories. Both flora and fauna were affected; dangerous animals are reappearing in large numbers. I warmly endorse Mr Jahn's objections to the annual extermination of migratory birds in Italy. However, in my opinion, there are also other

problems associated with the situation of the fauna and general environmental balance. But the report does not in any way touch upon the causes. The continuing absence of a regional policy, the insistence on the old objectives of a privileged agricultural policy, the insufficiency, lateness and, perhaps, uselessness of the reequilibrating measures, such as measures concerning agricultural structure and the directives concerning mountain areas, prove it. The document under consideration condemns urban congestion but it does not tackle its causes (unemployment, migratory movements, unacceptable poverty of large areas).

Under these circumstances it is difficult to frame a complete argument. The Community's decision-making organs have shied from confronting problems whose solution must hurt hitherto favoured interests: The Council's delays in the last two or three years have been denounced in the resolution of the committee concerned. But, frankly, it is not clear how and when enough authority will be found to stand up to dominant forces which enjoy unlimited protection. The States seem reluctant to renounce their powers, i.e. the ability to concede favours to the large capitalist monopolistic concentrations. A recent example proves this: despite protests, a Member State of this community, i.e. Italy, has not yet succeeded in preventing the discharge of polluting products into the sea. This explains why the documents under our consideration go no further than timidly talking of future directives on the approximation of legislation. Does the Commission not think—I cannot question the Council because it is absent and not involved in the debate—that Article 183 of the Treaties placed a different sort of legislation from usual at it and the Council's disposal in this matter? The legal form was evidently at their disposal, but it has not been used for the reasons I have given.

Finally, I want to stress that the timidity and fear shown towards the States and major economic forces in the documents under consideration are fortunately offset by force, undeniable hardness and, I would add, even a certain arrogance when it comes to dealing with our Parliament since, as Mr Jahn has already stressed in his report, they do not oblige, merely entitle, the Council to consult the Parliament on the environmental programme itself. This is deeply unacceptable and illegal since Article 235 of the Treaty lays down that all steps pursuant to that Article beyond the precise stipulations of the Treaty must be taken in consultation with the Parliament. Therefore, we have docility in dealing with the major economic powers, docility in dealing with the States but a refusal of Parliament's rights. We find

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ourselves before a series of documents which, from the point of view of both form and substance, fulfill nothing but the obligation to carry out the task set by the Paris Summit. But no Summit invented these problems. If the Commission wished to resolve them it should have followed quite another approach. As it is these problems will neither be tackled nor solved.

President. — I call Mr Christensen.

Mr Christensen. — (DK) Mr President, It is not for me to draw out the debate any longer at this late juncture. I shall attempt to be brief.

All the same, I shall need to use a few clichés, which evidently occur again and again when these matters are discussed, that is, to extend my thanks to the rapporteur and the Chairman of the Committee. This time, though, I do not think it is a cliché. The Council has put the Parliament in a situation which makes it extremely commendable that both the Chairman of the Committee and the rapporteur managed to produce a report in such short time as they have done. At the same time, in thanking the Chairman of the Committee and the rapporteur, I should also like to include all those in the Secretariat of the Parliament who indeed have made it possible to come to grips with the whole problem in so short a time.

Having said that, I will also say that I think there are some who have spoken here today who have been far too optimistic as regards the time factor, the haste in which we are forced to work with this problem.

Let us just reflect for a moment. I don't know if what I am saying is correct, but I seem to remember that it was only 5 or 6 years ago that the whole problem of pollution became a cause for public concern in Denmark. I think I am right in saying the same is true for a great many of the other Member States of the Community, and if what I am saying is correct then I really think that this problem has been quite speedily brought up to Community level, instead of remaining a merely national subject for discussion, a national political question on the problems of pollution. I therefore feel that many of those who have spoken on this particular problem have been far too pessimistic.

At the same time I should like to draw attention to the fact that I also think there has been some distortion of the problem as regards the cliché we use when we say that the polluter must pay. There are some who interpret this as meaning simply that if the polluter continues to pay then he can buy the right to pollute for

the rest of the time he is in production. This of course is not a correct interpretation of the affair. The right interpretation is first and foremost that the polluter shall of course pay damages for the results of his pollution. But there is all the same an extension of this philosophy, that is, he shall pay the cost of preventing further pollution, and therefore I think that underlying this discussion there is quite a disrepresentation in the interpretation of the cliché which has been used of the polluter paying.

I would draw attention to the fact that I do not belong to the Group in this Parliament which has delusions of this sort and which is romantic enough to believe that in the long run it is not the consumer who pays. There is not a shadow of a doubt that, whether we have a capitalist society or a socialist society, or a society under any other tag (*Applause*). There is no doubt that in the long run it is the consumer. But who is it who sets up the demand for consumer goods? It is the consumer, and if the consumer wants these goods, he must also pay the indirect costs, for example the indirect costs connected with the elimination of pollution in the production or consumption process.

It is of course an illusion to believe anything else, and I just want to give a simple example of how it is only a continuation of the process which has taken place over many years. We have in our various countries a wide range of veterinary regulations on the production of foodstuffs, which limit possibilities of mobility perhaps more in one country than in another, and which makes production more expensive for those whose legislation is very, very severe.

Who pays for this in the long run? The consumer! And I could mention scores of other relevant examples.

I should like now to conclude, for that is really a sample of what I feel to be the most important part of this matter. This is what makes the whole affair far larger than something we can solve at Community level. There are people here who have spoken on the problem of pollution as if evil capitalists look at it purely from a profitmaking point of view. So I should like someone to tell me how it is that in countries where there is a different sort of society, where there is so called people's competition for the construction of as good a society as possible, there is quite as much pollution, perhaps without the help of profit maximisation, but in any case with maximisation of consumption and in competition with capitalist society?

I say that as a socialist. There should be no misunderstandings about this. Therefore I think

Christensen

that it is a far too narrow framework if we continue to believe that we can solve the problem of pollution within the 9 countries of the Community. This problem of pollution should be dealt with in cooperation with other international organizations. It should be dealt with in cooperation with other European nations which are not members of this Community, it should be dealt with on a world scale and it should be dealt with in such a way that we enlighten our populations; and if they want us to prevent pollution, and if they want us to eliminate pollution which has already occurred, they cannot be content with fine speeches or presenting politicians with huge demands, they must first and foremost be prepared to be demanding at a personal level. Only when we have got so far in dealing with public opinion within the 9, within the Europe which is geographically involved in the problem we are talking about, and in world opinion as such, only then can we talk realistically about these problems.

(Applause)

President. — I call Mr Eisma.

Mr Eisma. — *(NL)* Mr President, it is an improvement to see that the papers which lie in front of us bear witness to efforts made to create a policy no longer exclusively directed towards the economy but which from now on will display a more humane character. However, in the papers before us I have failed to find one reference—in view of the late hour and the fairly empty chamber I shall restrict myself to a single observation—namely a reference to the connection between economic growth and the protection of the environment.

Until recently it was presumed that economic growth was in principle a good thing and that pollution of the environment had to be seen as an unintentional and unanticipated side effect. However since the report drawn up by MIT for the Club of Rome some years ago containing observations about the exponential growth of the economy we have started to think differently. According to the report if the pattern of growth is not radically changed very soon a catastrophe will occur about the year 2030 due to the exhaustion of natural reserves, food shortages and excessive pollution of the environment.

If the connection between this exponential growth and environmental pollution is not clearly indicated there can in my view be no question of completeness. It is that same exponential growth which must be transformed into stable growth. The Commission says that protection of the environment is not only a question of more intensive combating of pollution but also of

prevention of pollution. In my opinion the Commission must then accept the consequence that there must be a gradual deceleration of economic growth. Otherwise it will be impossible to provide adequate protection for the environment and to adequately maintain the standard of the environment.

If we keep to this target there must be as part of a more stable economic growth redistribution of the various components of the Community. This is once again a component of our regional policy.

It is also clear that in order to achieve this transition from economic growth to more stable growth a change of attitude is necessary. I would expect few results in the short term but I would like the Commission to accept this target. This change of attitude would mean that people will have to get used to the idea that the Community may remain vital and healthy without continuous growth.

Slowly but surely people will have to be content with a slow increase in material prosperity compensated for by a growth in non-material prosperity. In other words more attention will have to be given to 'being' rather than 'doing'.

There will also have to be changes in attitudes towards possessions and towards the concepts of status and performance. These are attitudinal aspects which must be changed before we can move from exponential growth to more stable growth. In the Netherlands much attention has been given to the problems described by the Club of Rome. The report of the Club of Rome has had its widest circulation in the Netherlands. It would be a good thing if the Community could pay more attention to this item and formulate an opinion of its own with reference to the Club of Rome's report and all the other publications which have followed it. The Community should state its policy on growth problems.

Mr Jahn's report mentions the introduction of an environment seal of quality for durable products which can easily be reprocessed and which cause little damage to the environment at both the production and the consumption stage. With that seal we could immediately underline the importance of the connection between the economy and environmental protection.

The connection between the economy and environmental protection can also be made in another way. I am thinking here of the imposition of a levy on the material used in products which cannot be re-used and the imposition of a levy related to the life of a product. If we could create regulations covering

Eisma

these levies at EEC level they could then be elaborated in national legislations. The last item was a spontaneous thought on my part. I shall return to it later. I have not yet had the opportunity to raise it in the Committee on Public Health and the Environment and thus it could also not be included in the report.

Mr President, the reason for my speech was to draw the attention of the Commission to the connection which I have briefly described. I did not, however, want to detract in any way from the excellence of the material contained in Mr Jahn's report.

Mr Cifarelli. — (I) Mr President, ladies and gentlemen, I know that I have little time, therefore I will briefly thank the rapporteur and the Parliamentary Committee who have considered the problem and submitted this report. However, the Commission—I only see the Vice-President here—will allow me to say that in this field, we are still only at the stage of listing the problems. As regards the direction of our policy and the elimination of false concepts and prejudices, we have not gone beyond the inventory stage.

Some of the speeches we have just heard substantiate my arguments. As far as these problems go, I shun the rhetoric of ecology and demagogy about private interests and profit (all false problems), and consider that the sudden growth of this serious problem stems from the immense technical progress of our times. And we must hasten, with the greatest urgency, to do whatever is necessary to prevent mankind coming to a sorry end. Mr Jahn will therefore allow me to say that—together with the Parliamentary Committee concerned—he should make a special effort to encourage the Commission and the Council to establish their priorities. What is politics if not deciding: this must be done today, that to-morrow; this is more urgent, that less so; this is more serious and that less so?

Of more than thirty paragraphs in the report, I would now like to stress paragraph 6, in which the committee asks not only that the plan of action be implemented by the Council establishing priorities, but also that normative acts should be issued for this purpose.

These may be regulations, directives, even specific decisions, they may be rulings of the Community Court of Justice. The important thing is that there should be some normative acts to provide points of reference. If I were speaking in the Italian Senate, I would say that there is an urgent need to enforce the laws already existing. If within the Community these laws and standards do not yet exist, we must make haste to create them.

As to the other paragraph under consideration, I would like to say that I regard two of them as extremely urgent and easily implemented: paragraph 18, in which the Council is urged to adopt the directive on agriculture in mountain areas, which has obvious ecological and regional implications, and paragraph 19, which relates to the afforestation of state woodlands.

A regional policy must consider the urgent need to protect at least some parts of the territory. And in this matter, let us be grateful for hydrocarbons because, though they pollute the sea, they enable us to protect our woods. Once wood was the only building material and source of energy. Now we have cylinders of methane and may use a whole range of hydrocarbons—let us do our utmost to exploit these advantages.

I would like to advance briefly some other considerations, Mr President. The first is as follows. Do not come and tell me that the ecological problem stems from private profits. In the country whose language I have the honour of speaking, one of the greatest sources of pollution is the Ente Nazionale Idrocarburi, which is a state organization; a lot of pollution can be traced back to the state-controlled Istituto delle partecipazioni statali (institute of firms in which the state has a holding) and a bitter argument about state electricity is currently raging. The power station planned at Porto Tolle involving the destruction of the Po delta, will not be financed by private individuals but by a state board with public funds. So let us, for once and for all, put an end to this argument—I hoped that Mr Christensen would mention that—the Baltic is as polluted as the Adriatic though both partly belong to socialist states.

This said, Mr President, I should like to stress another point. We must have the courage to admit that the greater part of pollution is due to the population explosion. It is man who pollutes, which means that the prospects of the increase in world population are truly terrifying; this has been stressed by the Club of Rome and a series of studies and conventions. We must draw the conclusion that, before we lay our bones to rest, the population of the world may have reached four thousand million. The whole Community must take a stand on this grave problem which entails an extension of the responsibility of individual nations.

In concluding, Mr President, I do not think that the ecological problem should be reduced to air, water, and pollution. There are other problems, foremost amongst which is the battle against pollution in historical centres, monuments and other testimonies to civilization: and without these testimonies life would not be worth living!

Cifarelli

The Council of Europe and UNESCO deserve praise for intervening in aid of Venice, of which we have testimonies in this very building. But their action is now running into difficulties: I refer to the incidents in the Italian Parliament during the debate on the laws for Venice which demonstrate not only the backward judgments and moral insensitivity still encountered but, above all, show up the difference between a badly understood demagogy, proletariat or industrialist, and these fundamental problems.

It is not possible to imagine fighting pollution but ignoring these aspects. In fact, Venice is not the only place in need of protection: I cite two further examples. In Ravenna, in my electoral constituency, people are becoming seriously preoccupied about the survival of the mosaics, since a refinery, belonging to SAROM, which has moved there, tinges the city's horizon with yellow and introduces gas which attacks the works of art of antiquity.

In another area which I know well, the extreme south of Sicily, a region of great beauty, we strenuously defended, tooth and nail so to speak, the coasts from one of the many coastal refineries installed in Italy (we have more than all the rest of the Community which is a scandal). Well, in this very zone, marble saw-mills were installed whose debris ended up in the sea, making a deadly layer which, carried by marine currents, endangered both flora and fauna, with easily imaginable consequences.

I conclude, Mr President, in stressing the importance of establishing precise priorities. If we wish to emerge from the present situation, we must realize that this is a complex problem which concerns culture, civilization, and the testimonies of a past dear to us all which will give our children a reason for living.

(*Applause*)

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, ladies and gentlemen, I understand the passion which this debate has engendered and realize that I must limit my discussion because it is late, because there are few in the chamber and, above all, because of nine speakers only five are present to hear the answer.

But, I was saying, I understand the passion which this argument has engendered because it is an argument which is correctly held to have 'exploded' in recent years. And if the excessive proliferation of initiatives and overlapping of dozens of international institutions which tackle

this problem and the hundreds of conventions focussing on various aspects of the problem at first seem futile, we must remember that it was largely through them that public opinion became aware that we were on the road to ruin. Awakening to these dangers, some of the countries more sensitive to the problem introduced remedies, though these remedies cannot be considered definitive until large areas agree on common action to prevent the spreading of pollution. In the absence of such common action, it is impossible to speak of a policy of environmental protection.

Well, what has happened up to now? Various international bodies have drawn up recommendations. Some of their members have accepted these recommendations, but in only a few has the force of public opinion driven the governments to adopt the decisions ratified and sometimes even requested by the national parliaments. But this is not enough because, as has been recorded, in other countries, which adopted these recommendations and were involved in the debates—for example, in Stockholm—things have not changed substantially and in some cases they have even got worse.

Having sketched this picture, Mr President, I should like to say what has happened in the Member States of the Community. Up to now the Community states have taken isolated action in sectors in which they consider that they must intervene and there has been some, infrequent, action by the Community as such. Various articles of the Treaty lay down standards of protection and intervention in the field of health and hygiene. Justifying itself by reference to such articles, the Commission has presented proposals to the Council requesting intervention in the appropriate cases.

It is late, but I believe that I have already made the above points to the committee concerned: I draw up a list of decisions adopted by the Commission in various fields and show how few of them have been passed by the Council and how many have instead been shelved.

But if progress to date has been limited, it seems to me that there is an important political factor worth stressing: the Community's intention to draw up its own legislation, to fix principles, to make an inventory, as someone has already recorded, and henceforth initiate a new type of action which will enable all the Community states to adopt common measures and consider them as an element of comparison, contact, control with regard to neighbouring states and will help states wishing to improve the quality of life of their own inhabitants.

Scarascia Mugnozza

I believe that the European Parliament has done well to support this fundamental political element which originates in the Paris Summit's step of fixing a deadline—the 31 July of this year—by which the Community institutions must define the objectives and dates of a plan of action.

The Commission has met this obligation, basing itself on previous studies and experience, in presenting a programme to the Council which, I would point out to Mr Cifarelli, does make choices and establish priorities. If in his report Mr Jahn said that the Council must establish priorities, I believe that he said it not because the Commission had committed the sin of omission, but because at this point the last word must come from the Council. At what point are we? On 19 and 20 July the Council must meet to give a decision on this plan of action. Some say that the plan of action is ambitious because they consider that it will not be possible to complete some of the measures indicated in the two years it covers. Others have said, some during this afternoon, that the programme is excessively timid. I would like to say that, on the basis of our experience, we consider the programme to be sufficiently realistic, in the sense that we are certain that, by means of the necessary legislative acts, we will be able to complete, the proposed actions within the next two years. In fact, studies are sufficiently advanced and we have the legal means necessary to proceed. Clearly there remains another field to explore but it is not the Community's fault that it remains un-explored because, though, in the more advanced countries, studies are being carried out, such a large number of products is released onto the market every year and before knowing in what way such products may damage health, a period of time must elapse in which men act as guinea pigs. However, the Council of Ministers meets on 18 and 19 July and I think that it will approve the Commission's plan. I make this prediction because the work done by groups of experts is in agreement with ninety per cent of the Commission's suggestions. There are only some political points of minor importance currently under consideration which I hope will be easily overcome.

This, then, is the present situation. We shall see, after the Council's approval, what action is indicated. I may say now that, where the experts have long been in agreement on the points of the programme, we are preparing directives because we do not want to waste a single minute, I am therefore sure that, if the plan is adopted in July, you will receive the first directives for its implementation before the autumn. Evidently, it will then be for the

Parliament to express its opinion and for the Council to take its decisions. And, as to-day we have acquainted you with the Commission's present and future proposals reflecting the opinions and votes of the European Parliament, so then will we, working in strict collaboration with the Parliamentary Committee concerned, show you what progress has been made and justify any omissions.

This is, therefore, a realistic programme which we rely on being able to carry out in the next two years. But to-day I have heard said other things with which I completely agree. When speaking of ecology and defence of the environment, it is important not to forget education. I would say that it is important not to forget good education, because we must clearly begin this programme of instruction in the schools in order to make future citizens understand what damage they may cause to themselves and nature. It is good education that we need; a certain form of bad education, which unfortunately has been established in this field for some time, in Christian terms, shows a lack of respect towards the future and is, therefore, itself a cause of pollution. Therefore, the environmental problems are currently becoming even graver for lack of the right sort of education. I would like to say that the Commission's initiatives also include such promotion and education, which we hope to develop at all levels.

Propagation is, therefore, important. We must make these facts known, and make the citizens aware of the situation in which we are living and in which we will find ourselves tomorrow if things continue as they are.

Then there is the economic problem. It is clear—as I have already said in the Parliamentary Committee—that the 'polluter pays' concept is unacceptable, because once the fine, or whatever it is, is paid the pollution may continue. The idea is obviously quite different i.e. to prevent pollution. We must clearly pay particularly attention to agriculture. Mr Baas has dwelt at length on this aspect. It is true that toxic substances in agriculture are used which subsequently enter our bodies—hence another field requiring interventions. Apart from its economic aspects, this is above all a human problem.

It is not by chance, Ladies and gentlemen, that a Consumer Division has been included in the Environment Directorate, where by consumers we mean the citizens of Europe who must be the focus of our attention.

The numerous observations made seem particularly important to me and I will bear them in mind in my work. I am, in any case, sure that we shall remain in constant close contact with

Scarascia Mugnozza

the Committee. The points made to me by its chairman, Mr Della Briotta, during private as well as public meetings, seem to me to be extremely valid, but I think that the European Parliament must, at this point, admit that the Commission has immediately accepted and implemented the Paris Summit's new indication, deliberately formulated in European terms at the moment of Europe's enlargement.

We wish our Europe to become more and more a Europe which belongs to its citizens, in which they feel protected and are able to participate in the management of this protection and in the democratic life of a Europe from which they cannot feel alienated.

Mr President, I will not continue further. I should like to thank those who have taken part in the debate, and above all I should like to warmly thank Mr Jahn who under extremely difficult conditions, with little time at his disposal, has nevertheless managed to prepare a complete survey of the situation for the European Parliament.

I also hope, as I have already said, that the necessary directives and regulations will be adopted to enable us to continue the fruitful work we began a few months ago and to make the European citizen aware of the fact that, through the Community institutions, his future and his health will be safeguarded.

(Applause)

President. — Does anyone else wish to speak? We have now reached the end of this extremely important debate. We shall now consider the motion for a resolution. It is an imposing one, and it really is a pity that we have to vote on it as a whole. However, we have no choice.

I therefore put the motion for a resolution to the vote.

The resolution is adopted.¹

On my own behalf, I would like to thank the chairman of the Committee on Public Health and the Environment, Mr Della Briotta, very much indeed for the work he has put in. I would also like to thank the rapporteur. We hope the Council will assume its responsibilities speedily and effectively.

In conclusion, may I thank the staff, who have had to work so late.

25. Agenda for next sitting

President. — The next sitting will be held tomorrow, Wednesday, 4 July 1973, with the following agenda:

10 a.m. to 1 p.m., 3 p.m. to 7 p.m., and possibly 9 p.m.:

- Report by Mr Kirk on cooperation between the European Parliament and the Parliament of Cyprus;
- Report by Mr de la Malène on the Community's approach to the forthcoming GATT negotiations;
- Report by Mr Fellermaier on the motion for a resolution on President Nixon's visit to Europe;
- Interim report by Mr Spénale on the strengthening of Parliament's budgetary powers;
- Report by Sir Brandon Rhys Williams on progress towards economic and monetary union.

The sitting is closed.

(The sitting was closed at 8.35 p.m.)

¹ OJ No C 62 of 31 July 1973.

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IN THE CHAIR: MR BERKHOUWER

President

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

President. — The sitting is open.

1. *Minutes*

President. — Since the minutes of yesterday's proceedings have not yet been distributed in all the official languages, they will be approved at a later stage.

2. *Authorization of reports*

President. — By letter of 2 July 1973 I authorized the Committee on Regional Policy and Transport to draw up a report on the improvement of transport links across certain channels and straits (the English Channel, the Messina Straits, various straits in Danish territorial waters and between Denmark and Germany).

By letter of 3 July 1973 I authorized the Committee on Social Affairs and Employment to draw up an interim report on the guidelines for a social action programme published by the Commission of the European Communities.

3. *Congratulations to Mr Bourges and Mr Durieux*

President. — On behalf of Parliament I congratulate Mr Bourges on his appointment as chairman of the new Group of European Pro-

gressive Democrats and Mr Durieux on his appointment as chairman of the Liberal and Allies Group.

(Applause)

4. *Allocation of speaking time*

President. — In the present situation we ought to give some thought to the staff. The temperature at the present time is almost unbearable. We ourselves are able to leave the Chamber occasionally, but the staff are not.

I would therefore ask you to do everything possible to avoid a late-night sitting. It ought to be possible to complete the agenda by 8 p.m.

I therefore propose that speaking time be allocated as follows:

— 10 minutes for the rapporteur and one speaker for each political group;

— 5 minutes for other speakers.

Are there any objections?

That is agreed.

I shall nevertheless allow rapporteurs to exceed their speaking time in certain instances. I am thinking particularly of Mr Spénale's report. As a general rule, however, I would ask you to comply with this allocation, especially during general debates.

5. *Change in agenda*

President. — Parliament decided yesterday, on a proposal from the rapporteur, to withdraw Sir

President

Tufton Beamish's report on the recommendations of the Joint Committee of the Association with Turkey from today's agenda.

However, since it has been possible to distribute this report more rapidly than envisaged, I propose that it be put back on today's agenda after the report by Mr Fellermaier.

Are there any objections?

That is agreed.

6. *Statement by the President concerning Question Time*

President. — I call Mr Fellermaier on a point of order.

Mr Fellermaier. — (D) Mr President, when Question Time was interrupted yesterday through the fault of the Commission you stated that you would reflect on a final solution and inform Parliament accordingly.

President. — Thank you, Mr Fellermaier, for reminding me that I have to make a statement on this matter. I was intending to do so a little later, when more Members were present.

I have discussed the matter with the great majority of the members of the Bureau.

Question Time for the present part-session was fixed for the second day, i.e. yesterday.

The Bureau has reached the conclusion that questions not answered yesterday as a result of the decision to interrupt Question Time should be placed on the agenda for Parliament's next part-session.

7. *Cooperation and contacts between the European Parliament and the House of Representatives of Cyprus*

President. — The next item is a debate on the report drawn up by Mr Kirk on behalf of the Political Affairs Committee on cooperation and contacts between the European Parliament and the House of Representatives of Cyprus (Doc. 126/73).

I call Mr Kirk, who has asked to present his report.

Mr Kirk. — I hope we can dispose of this matter both briefly and noncontroversially.

Parliament will recall that, when last March it gave its approval under Article 238 of the Treaty of Rome to an Agreement with the Republic of

Cyprus, I referred to the problem that arose from the First Joint Declaration annexed to that Agreement which provided for parliamentary contacts...

Mr Kirk. — The problem was that since 1963 the constitution of Cyprus had not been functioning in the way in which it was intended. The Parliament of Cyprus had not met as such during that period of 10 years. The Bureau decided that a delegation of the European Parliament should go to Cyprus to make contacts on the spot and to see what, if anything, could be done to secure parliamentary contacts.

I am glad to be able to report to the House today that this was in fact done and that we have returned with what I hope is an acceptable solution to this problem both for Parliament and for the Community as a whole.

The delegation consisted of Mr de la Malène, Mr Jahn and myself, though unfortunately Mr de la Malène was unable for reasons of health to accompany us. We were in Cyprus for a period of some three days during which we had several hours of talks with ministers in the Cyprus Government but, perhaps more important, with Mr Clerides, President of the Cyprus House of Representatives, on the one hand and Mr Denktash, Vice-President of the Republic of Cyprus, on the other. Out of these discussions emerged the exchange of letters attached to the report setting out the basis of the arrangements which I recommend Parliament to adopt today.

From the exchange of letters a proposed arrangement emerged similar to that which exists with Turkey and which existed with Greece before the Agreement was suspended as a result of the coup d'état in 1967. But, because of the particular nature of the problems, it contains certain rather special elements.

The most important element from the point of view of the Republic of Cyprus is contained in paragraph 3 of the recommendation, which provides that the delegation of the House of Representatives of Cyprus shall consist of seven members, of whom five shall represent the Greek Cypriot community and two the Turkish Cypriot community.

If Members will look at the letter contained in the annex that I wrote to Mr Clerides, which was the basis of these arrangements, they will see that the justification for this is the agreement already reached between the Greek and Turkish authorities in Cyprus that all institutions on the island shall be divided into 80 per cent Greek and 20 per cent Turkish. It does not take a mathematician to work out that five and two is somewhat different from 80 per cent and 20

Kirk

per cent. Nevertheless, although it gives a slightly greater weight possibly to the Turkish minority than would be strictly comparable, with seven we thought this was the best way of dividing it. This was in fact the proposal of Mr Clerides himself which Mr Jahn and myself on behalf of the European Parliament and Mr Denktash on behalf of the Turkish Community were happy to accept.

This body would form the Cypriot half of the joint body; the European Parliament half would be, as in the case of Turkey, a delegation of the External Economic Relations Committee of some 14 members. We have provided exceptionally here also for the provision of substitutes on the Cypriot side.

This is important when dealing with a delegation as small as seven which has to be divided according to nationality. For example, if one of the Turks falls out they must be able to substitute for him or they go almost without representation. Although it is foreign to the practice of this Parliament normally to allow for substitutes, I hope that Parliament will agree in this instance to do so. Otherwise the working of this body will be impracticable on the Cypriot side.

The Agreement provides in principle — I stress 'in principle' — for two meetings a year. Both the Turkish and Greek authorities have considerable problems in connection with the Agreement which they wish to bring to our attention. It may be that in the first instance two meetings a year would be about right. Later we may be able to manage with one meeting every nine months, say, instead of one every six months. If so, I am sure that no one will be better pleased than the Cypriots and ourselves.

The Agreement also provides for access to committees under the terms of the Legal Committee's opinion, adopted by the enlarged Bureau on 14 February 1973, pursuant to Rule 40 (2) of the Rules of Procedure, which reads:

'The Commission and Council may take part in committee meetings if invited to do so on behalf of a committee by its chairman. By special decision of a committee, any other person may be invited to attend and to speak at a meeting.'

We envisage this procedure working so that if the Cypriot delegation felt that it had a need to consult one of the committees of this Parliament it would write to the chairman and, if the chairman agreed that the need was there, it would then be admitted to the committee; but it would be in the hands of the committee of this Parliament to decide whether it wished to have a meeting with the Cypriot representatives or to handle the matter by correspondence.

However, there is one proviso to which I must refer before I sit down. It will be seen from paragraph 7 of the resolution, and, indeed, from the exchange of letters, that we provide for this arrangement to be implemented from 1 November this year. That date has been chosen because it is hoped that the intercommunal discussions at present going on, which are led, on the Greek side, by Mr Clerides and, on the Turkish side, by Mr Denktash, will by that time have reached a conclusion. There are people who consider that to be over-optimistic, and anybody who knows the Cyprus story would be unwise to bet on it. Nevertheless, we hope that by that time they will have reached an agreement and that it will be possible to implement these arrangements formally. If it should not have happened, we agreed in the exchange of letters — I am asking this House to ratify the agreement today — to consult both Mr Clerides and Mr Denktash to see what kind of informal arrangement we could set up which would be as close as possible to the arrangements set out here. This has been accepted by both sides in the exchange of letters with the proviso, on Mr Denktash's part, that, whatever happens, there must be separate provision for Turkish representation. This has also been accepted by Mr Clerides and I hope that it will be accepted by us.

I should mention — as the point was raised — that the reference in Mr Denktash's letter in the third paragraph, to the effect that 'the protocol will not be put into effect if Turkish Members are not included', relates to the First Joint Declaration annexed to the Agreement. We found that rather a long description during our discussion so we used the word 'protocol' as shorthand for the First Joint Declaration. The word 'protocol' in this connection refers to the Joint Declaration annexed to the Agreement.

This exchange of letters represents the first formal agreement reached between the two communities in Cyprus since the breakdown of the constitution in 1963. It is a matter for congratulation that the Community and this Parliament have been able to play a small part in reconciling the communities on the island by concluding the Agreement in the first place and by the machinery that we have been able to work out.

I hope, therefore, that Parliament will feel able to adopt this report and put into effect these arrangements which I believe are to the benefit of both this Parliament and the Republic of Cyprus.

(Applause)

President. — I call Mr Cousté, draftsman of the opinion of the Committee on External Economic Relations.

Mr Cousté. — (F) Mr President, as draftsman of the opinion of the Committee on External Economic Relations, I have to report to Parliament the complete agreement of this committee on the motion for a resolution which has just been tabled by Mr Kirk.

Indeed, the cooperation and contacts between the European Parliament and the Parliament of Cyprus illustrate the Association Agreement between Cyprus and the Community.

This agreement contains a few illustrations in the fields mentioned by Mr Kirk. In fact, the permanent joint delegation is an expression not only of economic cooperation but also of common interests. As Mr Kirk has already said, and as we emphasized within the framework of the Committee on External Economic Relations, this is why, exceptionally, substitutes have been provided for in this delegation. In view of the situation in Cyprus, this system, although new, should be accepted by Parliament.

This organ is of a permanent nature, and the most delicate problem which we had to consider was dealt with in Paragraph 5. Thanks to the opinion of the Legal Affairs Committee and to the proposals of the Political Affairs Committee we have finally found a happy solution which, being in accordance with Rule 40 of the Rules of Procedure, is not in itself an innovation.

The chairman of a parliamentary committee can always ask the Commission or the Council of the European Communities to participate in its meetings. The initiative must come from the Parliamentary committees; it is at our invitation—and this is specified in the text—that Cypriot members will be able to participate in our meetings.

This is something new. It has never figured in other Association Agreements, either with Greece, for example, or even with Turkey. However, this innovation is in accordance with Rule 40 of the Rules of Procedure.

Like Mr Kirk, the rapporteur of the Political Affairs Committee, I should like the provisions which form the object of the resolution to be applied from 1st November 1973. However, this does not rest with us. What matters now is that today we should accept this resolution. This I call on you to do.

(Applause)

President. — I would ask all speakers listed to make every effort to be brief, so that we can avoid a late-night sitting.

I call Mr Patijn on behalf of the Socialist Group.

Mr Patijn. — (NL) Mr President, the Socialist Group is very satisfied, very pleased with the work that has been done in Cyprus by a delegation from this Parliament. It therefore thanks Mr Kirk and Mr Jahn heartily. We believe that the final results were the best that could possibly be achieved. By sound diplomatic consultation, M. Kirk has accomplished in excellent fashion the tasks with which Parliament entrusted him.

As regards the motion for a resolution itself, we have little to remark. We agree to the emphasis being clearly laid on the fact that meetings should in principle be held twice a year. The fact is that we consider one meeting desirable and two rather excessive. It is in this context that we should view the wording, which as Mr Kirk has told us, is what the Cypriot representatives want.

There is a further point we would just like to refer to. It would perhaps be a good thing if Mr Kirk wrote to Mr Clerides to explain once again how we interpret the section of paragraph 5 concerning the invitation of Cypriot representatives to participate in committees. They believe they will have access to the committees if they so request, but it is clear, in accordance with the arrangement made on the advice of the Legal Affairs Committee in the Jozeau-Marigné report on the Turkish Association, that they can only have access to committees if they are duly invited. Such an invitation is of course easy to get, but it would perhaps be a good thing if we asked Mr Kirk, through the Chair, whether this point could be made clear to the Cypriot representatives.

We have no further comments. It goes without saying that we shall have to review the matter if no arrangement has been made by 1 November. The Socialist Group will examine this problem thoroughly and judge the matter on its merits when we receive further information. In the meantime we should like to congratulate Mr Kirk on his report and on the work which he and Mr Jahn have done in Cyprus. On behalf of the Socialist Group, I can say that we unanimously support the motion for a resolution which he has submitted.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — I rise only to express a very brief word of welcome for these arrangements and of congratulation to those of our colleagues—Mr Kirk, Mr Jahn and Mr de la Malène—whose efforts particularly have brought about these satisfactory and welcome results. I do so as Member from a country with old, close and historical relations with Cyprus.

Walker-Smith

I do so as one who has himself a fairly close personal acquaintance with Cyprus and with all sections of the community therein. And I do so as one who in the United Kingdom is chairman of the Anglo-Cypriot Parliamentary Group.

I am delighted that our representatives have secured these results against the notoriously difficult constitutional background of Cyprus. These difficulties, as Parliament knows, are long standing and of an intractable nature, but the arrangements set out in this document give added hope that the end of them is in sight. Paragraph 7 of our resolution puts a deadline of 1st November 1973 for implementation. Mr Kirk has quite naturally expressed some caution in his optimism as to the outcome of the constitutional negotiations in Cyprus by that date, but I hope that the message will go out loud and clear from this Parliament and all who wish well to Cyprus that these constitutional arrangements should be speedily and unequivocally implemented in Cyprus. I sincerely hope that any latent misgivings expressed in Mr Denktash's letter, set out in the annex to Document 126, will speedily be found to be wholly unnecessary.

If this is done, the visit of our colleagues and the action which they have made possible will have done much to put on the path to peace, progress and prosperity this lovely but troubled island for which nature has done so much and for which man in his wisdom can do still more.
(*Applause*)

President. — I call Mr Bersani, whom I would ask to be brief.

Mr Bersani. — (*I*) Mr President, I, too, on behalf of the Christian-Democratic Group, should like to thank sincerely Mr Kirk and Mr Jahn for having accomplished in the best possible way and with most satisfying results the mission entrusted to them. We have seen rapid progress and we approve it. The largely novel manner, too, in which permanent contacts have been established, is, in our opinion, a major development transcending the significance of the Cyprus agreement itself. For we believe that the evolution of close relations at parliamentary level is the best guarantee of progress of that policy of institutionalized collaboration which has already proved so valuable, particularly in the relations between the Community and the Associated African States. This model might eventually help us in the effort which we must now make to bring progressively cooperation and peace into the controversial situation in the Mediterranean area.

It seems likely that if we can only succeed in concluding more agreements of this type, our Institution will be able to develop a real political initiative in this area, equal in importance and content to that embodied in the association with the African States. Then, together with other institutions to be established for the Mediterranean area, we should be able to effect a Community presence and policy capable of bringing us out of the present chaotic situation and achieving a more organic and satisfactory character.

Our experiment with Cyprus, to which Mr Kirk has made such a significant personal contribution, should be before our eyes in all our efforts to renew existing agreements and prepare new initiatives concerning the four countries of the Mediterranean. It will be possible to establish gradually closer parliamentary cooperation so that we may look forward—at least, that is my hope to a situation where relations of this type, established separately with the second area, may gradually be made to converge. In this light the value of the agreements just concluded appears even greater, and for this reason we wish to express our most sincere gratitude and appreciation to Mr Kirk and Mr Jahn who led our parliamentary delegation.

President. — I call Sir Christopher Soames, Vice-President of the Commission of the European Communities.

Sir Christopher Soames. — I should like to say on behalf of the Commission how glad I am that a delegation from this House has been able to reach agreement with the President of the Cyprus House of Representatives and with the Vice-President of Cyprus on how to organize contacts and cooperation between this House and the Parliament of Cyprus. Mr Kirk and Mr Jahn deserve our warm congratulations on their skilful handling of a most delicate subject.

We in the Commission regard it as being of the greatest importance as a principle, and of the greatest utility in practice, that the official contacts between the Community and its Associated States which take place in the Council of Association should be matched by parliamentary contacts in which there can be discussion between parliamentarians on both sides of all the various aspects of the Association and of its development.

I congratulate the delegation from this House on its work and look forward to seeing in due course the fruits of this parliamentary cooperation in the form of greater mutual knowledge

Soames

and understanding between the Community and its newest associate, Cyprus.

(Applause)

President. — Thank you, Sir Christopher.

Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

I have no amendments or speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

*8. Tabling and reference to committee
of a motion for a resolution on atmospheric
nuclear tests*

President. — I have received from Mr Taverne, Mr Patijn, Mr Laban, Lord O'Hagan, Mr Eisma, Mr Dalsager, Mr Schmidt, Mr Corterier, Mr Flämig and Mr Walkhoff a motion for a resolution on atmospheric nuclear tests.

This motion, tabled under Rule 25 of the Rules of Procedure, has been printed and distributed as Doc. 135/73.

Pursuant to Rule 14 of the Rules of Procedure, a request has been made for the motion to be dealt with by urgent procedure without reference to committee.

I would remind the House that, pursuant to Rules 31(5) and 32(3) of the Rules of Procedure, I may call to speak on the request for urgent procedure only the author of the motion, one speaker in favour and one against, and the chairman or rapporteur of the committees concerned. Speaking time is limited to five minutes.

I call Mr Taverne.

Mr Taverne. — I wish to move that the resolution standing in my name and that of others be treated as an urgent debate under Rule 14. I have tabled this resolution, not in a spirit of recrimination towards the government of a Member State of the Community, but in a positive spirit aimed at enhancing the reputation of the Community in general and of this Parliament in particular.

First, there can be no question but that this matter is urgent. We do not know when the

tests will be carried out—it may be later this week, next week or next month—but it is possible that they will not be postponed until after the next session in September. Therefore, if this motion is rejected or referred to committee, this Assembly will have lost its chance of a debate; and of what use is it to those who will suffer from nuclear fall-out if our appeal to the French Government is heard after and not before the tests? Radioactivity is not subject to retrospective resolutions, nor are the victims of radioactive fall-out. I therefore submit that, since it has been accepted that this initiative is within the powers of Parliament to debate, this House must treat the resolution as urgent.

I believe that there can be no better issue on which to make our views felt. It is an issue concerning respect for international law, and without such respect all our debates and resolutions—indeed this whole edifice—are meaningless. It is also an issue which crystallizes the attitude of the Community towards the outside world. Are we to be an insular, inward-looking rich man's club earning the attention but not the respect of others, or are we to be a constructive force for democracy and idealism?

I did not fight my own battle within the British Socialist movement in order to participate in an inward-looking Community whose policies were determined by the lowest common denominator of international morality. Nor will such a Community succeed in attracting to this Parliament those delegates whose absence weakens its voice.

I can find no better justification for Parliament to debate this topic, which, whatever one's view of the case, all must agree to be of supreme importance, than the words of the first ever speech made by a British delegate to this Parliament. I quote:

'We take as our motto "Silence means consent" and that we are entitled to do anything which is not expressly prohibited. Let us do that in every area we can find. If anyone says, "You have not been given the right of initiative" the answer is simple and clear. Initiatives are not there to be given; they are there to be seized. We can, and must, seize them.'

One of the members of the British delegation will, I think, recognize those words.

I firmly believe that this session, in the events of yesterday in its relations with the Commission, and in this resolution aimed at the Council, and probably in the debate on budgetary powers which is to come, can and should mark a turning point in the influence of the

¹ OJ C 62, 31. 7. 1973.

Taverne

European Parliament. I believe that influence would be wholly beneficial. The initiative is there for us to grasp.

May I in conclusion appeal to those Members who oppose the text of this resolution to give themselves the opportunity to make clear the reasons for their opposition by consenting for this matter to be debated urgently. Let this Parliament this day show that we are not content to exist on a diet of administrative crumbs from the Council's table but will seize major initiatives and express a parliamentary opinion on them.

(Applause)

President. — I call Mr Fellermaier on behalf of the Socialist Group, with the reminder that speaking time is limited to five minutes.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, it is a welcome parliamentary tradition of this house that at the instigation of individual members a question can be dealt with by urgent procedure regardless of the political groups to which they belong.

At the end of this part session, this Parliament will be beginning its summer recess. It will not be meeting again until September. In view of the concern felt by large sections of the public in Europe and in the rest of the world at the announcement of renewed nuclear tests by a Member State of the European Community, I feel that the European Parliament cannot afford to remain silent on the subject.

This Parliament is the only supranational Community body in which there can be public expression of the will of the peoples as a result of the representation here of the major political movements in Europe. I think, Mr President, this must be one of the reasons why we are dealing with this motion for a resolution by urgent procedure at the July part-session. The Socialist group agrees that the urgent procedure should be adopted.

(Applause)

President. — I call Mr Bertrand on behalf of the Christian-Democratic Group. May I remind him to not to exceed his speaking time.

Mr Bertrand. — *(NL)* Mr President, I am rather surprised by this initiative to have the present problem brought up for discussion, this having been done by individual members without prior consultation between the Group Chairmen. I do not believe that anyone in this Parliament can approve the continuation on a large scale of nuclear tests in the atmosphere, but such objec-

tions should be directed against all countries that undertake nuclear tests and not only against one of the Community's Member States. Why have no objections been made against the Chinese, Russian and American nuclear tests? Why are objections only made against one European Member State? I find it a hypocritical attitude which cannot be squared with a general idealistic and high-principled standpoint. If we are against nuclear tests, we should voice our objections at world level as an expression of the principal European currents of opinion.

I cannot agree to the urgent procedure or to the text of the motion for a resolution. Perhaps the text can be amended so that Parliament condemns the principle of further nuclear tests at world level. The resolution would then take on a different complexion no longer being simply a one-sided condemnation of a Member State of the Community.

We are not in principle against the question of urgency. Perhaps the Groups could declare themselves in favour of a new text being drawn up in which objection is made in principle to all nuclear tests at worldwide level. The new text of the motion for a resolution could then be dealt with tomorrow afternoon, once the Groups have had a chance to examine it.

(Applause)

President. — Your still have the floor, Mr Bertrand.

Mr Bertrand. — *(NL)* Mr President, our attitude depends on the reaction of the persons who submitted this document. If they insist on the text as it now reads, I shall ask my Group not to accept the urgency aspect. If, however, they agree to draw up a general text against all nuclear tests, we shall accept the urgency. There must be clarity on this point before we proceed to the vote.

President. — I should not in fact allow any further speakers, but I think the House would agree to my calling Mr Taverne to answer Mr Bertrand's question.

I call Mr Taverne.

Mr Taverne. — I do not think Mr Bertrand has quite understood the terms of the resolution. It is concerned with atmospheric tests. It is not concerned with all the tests. Secondly, it refers to a member of the Community only, although it also condemns the Chinese nuclear tests.

I say, therefore, with some regret, that I cannot meet Mr Bertrand's request for an amendment to the resolution.

Taverne

I understand there is some uncertainty about the French translation. That may be a matter to which reference can be made later.

Mr Kaspereit. — (*F*) This is inadmissible! There are rules of procedure to be applied. If they are not, I too shall ask to speak.

President. — I now consult Parliament on the request for urgent procedure.

The adoption of urgent procedure is not agreed.

The motion for a resolution is therefore referred to the Political Affairs Committee as the committee responsible and to the Committee on Public Health and the Environment for its opinion.

9. *Approach to the forthcoming GATT negotiations*

President. — The next item is a debate on the report drawn up by Mr de la Malène on behalf of the Committee on External Economic Relations on the Community's approach to the coming multilateral negotiations in GATT (Doc. 118/73).

I call Mr de la Malène, who has asked to present his report. I would remind him that his speaking time is limited to ten minutes.

Mr de la Malène, rapporteur. — (*F*) Mr President, the Committee on External Economic Relations, as was its duty, has, in accordance with its terms of reference, spent a great deal of time studying the two texts drawn up by the Commission for submission to the Council so that the latter could define the negotiating mandate given to the Commission for the multilateral negotiations due to open next autumn in Tokyo.

You will all remember that two texts were submitted and that recently, in fact last week, the Council issued the negotiating mandate.

Your committee has not had an opportunity, because of the limited time available to deliver its opinion on what it knows of the negotiating mandate given by the Council.

However, we have anticipated much of what we are going to hear from the representative of the Commission, who will certainly inform Parliament of the real nature of the mandate.

The motion for a resolution which I have the honour of tabling on behalf of the Committee on External Economic Relations is therefore based solely on the Commission's text.

Several long discussions have been held within the Committee on External Economic Relations in view of the importance, the complexity and the subtlety of the problem.

Without going into too much detail, I should like, Mr President, to outline the main features of the committee's motion for a resolution.

In the first paragraph, the committee approves, as a whole, the Commission's proposals on the Community's approach to the coming negotiations.

As regards principles, the committee hopes that these negotiations will be conducted in a spirit of cooperation and of constructive dialogue between all partners.

Paragraph 3 expresses the hope that the negotiations will not call into question the main features of the EEC, i.e. customs tariffs, quotas, etc., or the common policies, particularly agricultural policy.

In the fourth paragraph your committee declares that, with European union and economic and monetary union beginning to take shape, substantial progress should be made, over and above these discussions, towards the definition of a common commercial policy.

Paragraph 5 broaches a matter which will certainly form the subject, both today and in the future, of numerous speeches in Parliament, namely the links between commercial and monetary problems.

Your committee has emphasized that the two sets of problems should be seen as objectively interdependent, though requiring to be dealt with in a manner appropriate to their nature.

As regards objectives, your committee has declared, in paragraph 6, that the Community should work towards a more outwardlooking, balanced and fairer system of international trade.

The word 'fairer' was chosen essentially with the relationships between the industrialized countries and the developing countries in mind. It was intended to emphasize that although international trade had grown very satisfactorily during the last ten years between the industrialized countries both inside and outside the Community, the same was not true of trade between industrialized countries and developing countries. Thus, in the next ten years, the growth in trade between the industrialized countries and the developing countries should be much more rapid than any other growth in trade relations.

Paragraph 7 states that new international trade relations should be introduced. These should be

de la Malène

stricter than the GATT regulations, although the latter were very useful during the last ten years.

Paragraph 8 states that, as the Commission has asked, tariff reductions should not be 'across-the-board'. It would not, in fact, be logical for tariffs which are already low or very low to be reduced in the same proportion, for a given sector, as tariffs which are very high. A tariff of 10%, for example, reduced by half would become a tariff of 5%, and a tariff of 60% reduced by 50% would become a tariff of 30%. The protection would not be at all the same and the reduction would not have the same significance.

Paragraph 9 deals with a point which has frequently been discussed in the Committee on External Economic Relations, namely the problem of non-tariff barriers. You will no doubt remember that during the previous negotiations, i.e. the Kennedy Round, the problem of non-tariff barriers was studied by a special committee which, if my memory serves me rightly, was called the 111 Committee. Results were achieved at these negotiations but unfortunately they were never put into effect.

To quote a concrete example, the United States undertook, during the negotiations, to ask Congress to abolish the American selling price. Unfortunately, this step, an extremely important one in various industrial fields, was never taken.

It is probably in the field of non-tariff barriers that the negotiations should permit substantial progress to be made.

This is a difficult matter because it involves the internal legislations of the States, but although we have almost reached the limit of tariff reduction, the negotiations should make it possible to get results in this connection.

Paragraph 10 deals with the machinery for the settlement of disputes and paragraph 11 with agricultural problems over and above the common agricultural policy. It recommends an improvement in the organization of the markets in agricultural products at the international level and the establishment of a code of good conduct.

Paragraphs 12 and 13 deal with the problems of developing countries.

In this connection, I should like to draw attention to the committee's traditional view that new preferential measures should be introduced on an international scale, in particular for certain agricultural products of the developing countries.

Paragraph 13 emphasizes in this connection that mere liberalization of trade unaccompanied by

any other organization of our relations is not sufficient in itself.

Finally, paragraph 14 deals with certain safeguard measures.

It remains for me to say that I hope Sir Christopher Soames will be able to tell us if the negotiating mandate which he received on 25th and 26th June meets his expectations and our own.

(Applause)

President. — I call Mr Héger on behalf of the Committee on Agriculture. Would he please keep within his speaking time.

Mr Héger, draftsman of the opinion. — (F) Thank you, Mr President, I shall do my best to keep to the time allowed.

The Committee on Agriculture is very realistic. We wonder whether our purpose in this instance is still relevant since the Council of Ministers has already given a negotiating mandate to the Commission.

Where I come from, we have a saying: 'It's all the more beautiful for being useless'. Nevertheless, I should still like to make a few comments on behalf of the Committee on Agriculture.

First of all, I would like to say that the Committee on Agriculture supports the motion for a resolution put forward by the Committee on External Economic Relations. However, although it admits that there are three problems and that each should be solved in a manner appropriate to its nature—whether this be in the field of defence, of trade, or in the monetary sector—the Committee on Agriculture is nevertheless convinced that trade and monetary problems are interdependent and that account should be taken of this fact.

The Committee on Agriculture, however, is not inflexible. It does not say that it is impossible to arrive at solutions in the field of trade if the monetary problem has not already been solved. It does say, however, that decisions affecting trade and agriculture should not be implemented unless sufficient progress has been made on the monetary front.

Although it is pleased with the decisions taken within the Council of Ministers, the agricultural sector still believes that the fundamental principles of the agricultural policy, i.e. the unity of the market, community preference and financial responsibility should remain sacrosanct. I should add that our satisfaction was increased by the

Héger

fact that the Council of Ministers has stated that not only the basic principles but also the mechanisms should remain sacrosanct. In a moment, Sir Christopher Soames will probably be able to add certain points which will increase our satisfaction still further. The excellent rapporteur of the Committee on External Economic Relations took into account measures which, although non-tariff in nature, have an equivalent affect in the quota field.

There are also certain provisions, in particular the agricultural waiver, which have a marked bearing on the export possibilities of the Community vis-à-vis certain countries which will be taking part in other negotiations.

The same is true of certain other measures which are said to relate to the field of health, but which, in reality, represent obstacles which we have encountered previously and hope to see disappear in the very near future.

The attitude of the Committee on Agriculture is a constructive one. It admits that agricultural policy is open to improvement and would like to see a concentration of efforts on high quality, something which is of immediate interest both to consumers and to the world in general. However, the disciplined grower or producer who respects this wish has a right to expect its counterpart also. Substantial financial aid has been allocated to the agricultural sector, but we should not expect from structural reforms a miracle solution or one which is improvised or hasty.

We are faced with a social and human problem. One cannot simply uproot people who are getting on in years and who have been doing a job of work in a given environment. I believe that, to opt for another profession, basic training is necessary, and that young people should be able to get this training; I also believe that jobs should be created which will give them the opportunity to take up a new career.

Indeed, if financial aid is granted for guidance in the agricultural sector, the Committee on Agriculture believes that this aid should be economically justified and that it should be subject to strict checks to ensure that it is judiciously used in the economic field in general and to the greater good of farmers in particular.

The import of all this, Mr President, is that the Committee on Agriculture has confidence in the coming negotiations. It does not believe that it will be a question of a 'Nixon Round'. If you will permit me to say so, this expression disappoints us a little, since it implies a certain comparison with the 'Kennedy Round' although the two are separated by a considerable difference in concept, if not in time.

The Kennedy Round had its origin in the United States' offer to reduce customs duties in the hope that they would receive equivalent offers from their partners.

On this occasion, the GATT negotiations have their origin in a summit conference in which the parties came to an agreement, i.e. the Community is just as much an applicant as any other partner. It remains for me to say, Mr President, that I hope Parliament will vote unanimously for the motion for a resolution. There will be many other opportunities to return to the problems which will be debated in Tokyo in coming months.

(Applause)

President. — Sir Christopher Soames has asked to speak at this juncture in order to reply to the rapporteur.

I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — Thank you very much, Mr President, I have studied with great interest both Mr de la Malène's draft resolution on behalf of the Committee on External Economic Relations and Sir Brandon Rhys-Williams' opinion submitted on behalf of the Committee on Economic Affairs. Therefore, I am extremely glad of this opportunity to report to the House on the Community's progress in this matter of arriving at a common overall view of how we should approach the multilateral trade negotiations which are to open in Tokyo on 12 September in the framework of the GATT.

I asked you, Mr President, if I might speak early in the debate because I felt that it might be of service to the House. We have not debated this subject for some time now, so it might be helpful if I give, as it were, a progress report on how events have gone since we last discussed this matter and since I last reported to the House. Of course, at the end of the debate I shall be glad to answer any specific questions that honourable Members may wish to put to me.

The House will recall that the Paris summit meeting last October set 1 July as the deadline for reaching agreement on this overall view of the approach to these negotiations. The Commission made its proposals at the beginning of April, which gave the Council of Ministers plenty of time to consider them, and, as honourable Members may recall, I gave this House an account of these proposals at its meeting in Luxembourg in the first week of April. I did so in the conviction that the European Parlia-

Soames

ment, in a matter of this importance, would wish to be seized of our thinking at the earliest possible moment and would have a good deal to contribute to the process of Community decision-making by its debates here and that Members individually would also be able to help that process back in their own countries.

Subsequently I had a most useful discussion with the Committee on External Economic Relations which enabled the Commission to take account of its views at the conclusive Council meeting of 25 June.

With four days to spare, in the early hours of Tuesday last week, the Council agreed on such an overall view and accepted both our objectives and the broad line of our approach, with which this House is familiar. It made some amendments, as one would expect to happen, but not such as to alter in any fundamental way the concept that the Commission put before the Council.

This has for me been the first experience of the dialogue between the Community institutions—Commission, Council and Parliament— involving consultation also with the Economic and Social Committee.

Starting with the bilateral contacts I had with each Member State in the early months of the year and finishing with the session in Luxembourg last week, it has been for me an instructive exercise in the Community's methods. These methods obviously are not perfect, as everyone recognizes, and the time may come when they may be to some extent streamlined and improved. But the experience has made me believe more profoundly than ever that this is a method of reaching agreement which can and will work on a number of other problems besides those of trade.

The Council has agreed, as the Community's twin objectives in these negotiations, to consolidate and to further the liberalization of international trade on a basis of mutual advantage and overall reciprocity, and to improve the chances of the developing countries to participate in the expansion of world trade and to secure a better balance in the advantages to be obtained by them from such an expansion.

The Council—like the motion before the House which I know was drafted before the Council's decisions were available to Parliament— adopted the principle that the higher the tariff the greater the reduction that should be made in it. It also upheld the notion that there should be, as it were, a threshold tariff level below which the Community should not insist on any tariff reductions. This would enable some of our partners, who have sharply varying levels

of tariffs and who would be obliged, if they agreed with this, to reduce their high tariffs a great deal, to keep some of their lowest tariffs at their present levels. It should enable countries to obtain some degree of reciprocity within the context of the tariff chapter itself. It would also enable countries to obtain more easily reciprocal concessions at future rounds of tariff negotiations. In addition, it would have the fall-out effect—though this was not the reason for it—that the generalized preferences that we and Japan give—and we hope the United States will soon also give—to developing countries would remain advantageous to them.

There may, of course, be some particular products requiring special solutions on which we could arrive at zero tariffs. This is not excluded. But generally speaking we are not aiming fundamentally at arriving at zero tariffs.

As to non-tariff barriers, the Council followed closely the proposals put forward by the Commission. I note that the Commission's proposals are supported in paragraphs 9 and 10 of Mr de la Malène's motion.

I was most interested to hear Mr Héger's remarks. It is so nice to hear him speaking again after such a long time. I remember very well the discussions we used to have in the first round of negotiations in 1962 and early 1963, if I may say so 'entre parenthèses'.

As to trade in agricultural products, the Council emphasized that neither the principles nor the mechanisms of our common agricultural policy are up for negotiation.

But it was also made clear that in the agricultural sector the Community's objective in these negotiations is to expand trade in stable world markets while respecting existing agricultural policies.

That, however, does not mean to say that these agricultural policies are now to be frozen into immobility. As this House knows, we are already committed in the autumn to subject our own agricultural policies to a thoroughgoing review, not as part or in the context of any multilateral negotiations with the outside world, but as a function of our own objectives, of the satisfaction of our consumers' demands for food at reasonable prices, and of our farmers' needs for a fair standard of living for the agricultural community, as set out in Article 39 of the treaty, and of contributing to the harmonious development of world trade, as set out in Article 110 of the treaty.

I must make it clear that the Commission does not look on these negotiations as being any

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form of a back door to the reform of the common agricultural policy. What we hope to achieve as part of the multilateral negotiations is that for certain products (such as wheat, flour and feed grains, rice, sugar and certain homogeneous milk products) we can secure multilateral agreements, including maximum and minimum prices, stockpiling measures and food aid; and for other products which do not lend themselves to such arrangements the Community would be ready to negotiate concerted disciplines to ensure orderly exports on world markets.

Insofar as such internationally agreed measures result, as we would hope in greater world market stability—and goodness knows that is necessary—clearly the way in which the Community applies its import mechanisms will be adapted in consequence and its export mechanisms will be handled in such a way as to comply with any international commitments which may be undertaken in the course of these negotiations. I should underline again that in this field, as in others, effective reciprocity will be an essential element in our willingness to move forward.

Agreement was also reached in the Council of Ministers on the important issue raised in paragraphs 12 and 13 of Mr de la Malène's motion. In addition to the world agricultural arrangements I have described, measures should be considered for products of particular interest to developing countries so that in such cases those countries may be able to maintain or increase their export revenue. The Council also endorsed the Commission's hope for an improvement in our generalized system of preferences for developing countries for their exports of industrial goods, and the inclusion of transformed agricultural products in the scheme.

In paragraph 14 Mr de la Malène turns to the problem of safeguard measures. If we want to speed the liberalization of world trade, we may have to discuss what should be done in cases of particular emergency in order to have some brakes available to safeguard economies against any grave danger.

The Council shared the Commission's view that Article XIX of the GATT should stand as it is. To start to rewrite the General Agreement at this stage would run the risk of opening a Pandora's box which could slow down rather than speed up our aim, namely, the taking of further steps towards liberalization. But the Community also recognises that Article XIX of the GATT has not proved easy to handle and that there is perhaps a case for supplementing it.

The Community will play its part in discussing any such additional provisions, but will take the firm view—and I hope that here I carry the House with me—that whatever changes are made should not result in more restrictive safeguards, nor should they make safeguards easier to apply or limit the right to retaliate unless, at the same time, the conditions under which the new safeguards can be applied are set down with great precision and their use put under firm international control.

Lastly, I wish to say a word or two on the much discussed problem of the link between the trade negotiations and the world's monetary system.

Mr de la Malène's motion rightly considers the two problems as of their nature interacting, but equally rightly insists that each must be dealt with in a manner appropriate to its own nature. That has all along been the Commission's view and the Council has now defined the Community's attitude in the document which it adopted last week. It emphasized that it could not be the aim of the trade talks to remedy balance of payments disequilibria—it was not for the trade talks to do that—and stressed the contribution which the Community has already made, by its lowering of customs duties and its economic dynamism, to the liberalization and expansion of world trade.

The multilateral trade negotiations, the Council declared, presuppose that there are prospects for a stable and durable monetary order based on the various principles which the summit meeting of last October set out in paragraph 4 of its communiqué. The Community will view the progress of the trade talks in the light of progress in the monetary domain, and when it decides on the outcome of the negotiations will do so in the light of such progress. This would seem to the Commission to be just the right balance of linkage as between the trade talks and the necessary monetary reforms.

We have thus arrived at the start of what will be a long road. These negotiations will not be easy. At times they will be very tough and at times they will be appallingly technical. But the Commission believes that the Community has now got off to a good start. This is the second major debate we have had in this House as we have moved towards arriving at this *vue d'ensemble*. Doubtless as negotiations proceed we shall have the opportunity of many discussions. We shall have the opportunity of taking the view of the committees particularly interested and of Parliament as a whole.

We have made it clear to the world—and we are speaking here with one voice—that we look

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to these negotiations to achieve a further stage in that liberalization of world trade which has brought so much benefit and prosperity to our people over the last 25 years. But we have made it equally clear that this can be achieved only on a basis of reciprocity. And it is in that spirit that the Community will go to Tokyo hopefully to join with our partners in embarking on these important negotiations.

(Applause)

President. — Thank you, Sir Christopher. The problems of the GATT negotiations have now been discussed by two rapporteurs and Sir Christopher Soames. They have all kept within their speaking time. I have six more speakers listed and would remind the House that in order to avoid a late-night sitting we have decided to limit speaking time to five minutes.

I call Mr Boano on behalf of the Christian-Democratic Group.

Mr Boano. — (I) Mr President, in expressing, on behalf of the Christian-Democratic Group, approval of Mr de la Malène's balanced report, I must obviously omit all those aspects of the draft resolution which by their technical or self-evident nature will meet with universal support.

I should therefore like to confine myself to one general observation and two major debating points which have emerged in the course of earlier meetings of the Committee.

The general observation concerns the restricted and rigid terms in which the Council's instructions, to the Commission are couched. Our Committee on External Relations has in an earlier resolution stressed the need for these mandates to be broader and more flexible, in accordance with the spirit and the letter of the Treaties. The need is all the greater when the principal negotiating partner, that is, the President of the United States, will be armed with the broadest possible and comprehensive mandate, permitting him even to abolish all tariff barriers within five years.

Here I come to the first controversial point, that is the interconnection between monetary and trade problems and the parallel nature of the respective negotiations, even if they are conducted at different places: a debate which appears to concern chronology but was in fact about means and aims, that is about whether trade negotiations should lead to monetary consequences or *vice versa*.

However, I believe it was wise and proper of Mr de la Malène to confine himself in his report

to highlighting the equal importance of the two types of problems and their inextricable interdependence.

I come to the second controversial point, the non-negotiability of Community principles and arrangements. We concur in the maintenance of the Common External Tariff not so much because it is one of the Community's external characteristics (indeed, if ten years hence this were to be its only characteristic, it would mean that all the efforts to achieve economic and monetary union had failed) but primarily because the CET is a component part and one of the essential aspects of the sovereignty and the power of control of this Parliament, that is to say it is a contributory factor in the system of own resources.

Naturally, the preservation of Community principles and arrangements has raised serious problems in regard to the agricultural policy, and will continue to do so. Our attitude on this is quite clear. It is on this point that, as I see it, the divergence between the Commission's position and the terms of reference imposed on it recently by the Council is greatest. I would say that the amendments introduced by the Commission in the version of 22 May have accentuated these differences, in that they stress the principle of reciprocity of commitment and of the efforts demanded of all the partners in the forthcoming negotiations.

This principle of reciprocity is not a neutral concept but has become a Community tenet, in that the United States, on its part, insists on the need to re-establish a balance which it claims to have been upset at the instigation of the Community and through its fault.

The Council has adopted a more rigid attitude, stressing that in addition to the principles of the agricultural policy its mechanisms should also be non-negotiable. Obviously we must be clear on this point, and above all know precisely whether this statement is valid externally, in the context of the approaching negotiations and *vis-à-vis* our future negotiating partners, or whether it might also be intended in an internal Community sense.

I agree, if by mechanisms which are to be retained and not to be touched are meant, for example, the levies to be used as a counter-argument to the American position. But if, on the other hand, the principle of non-negotiability is to be used internally, to preclude all possibility of revising, for internal reasons, our agricultural policy; if this were to prevent a re-thinking of our guidelines, for instance in the sense of supplementing price-maintenance interventions with a system of direct aids to

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producers in serious difficulties, if it is intended to block all possibility of revising an agricultural policy which the rapporteur on behalf of the committee responsible has rightly described as not perfect, and thus prevent the implementation of all those proposals for improvement which far from jeopardizing would facilitate the achievement of the social aims pursued by the agricultural policy; if the effect of the agricultural policy as a factor increasingly isolating the Community from the rest of the world and particularly from developing countries and contributing to the rise in the cost of living and to the process of inflation were to be accentuated, if that were the meaning to be attached to the concept of non-negotiability, then obviously we should be perplexed and our attitude would incline more to the Commission's approach than to the tenor of the Council's mandate.

In concluding, I wish to express full support for Mr de la Malène's paper in so far as it reflects the document prepared by the Commission, precisely for the broader approach and greater readiness to negotiate which it represents in comparison with the Council's instructions drawn up, obviously with a view to a determined defence of our negotiating position.

It would, in any event, be absurd if at a time when countries hitherto ideologically divided, such as China, the Soviet Union and the United States, are moving closer at the level of economic and trade relations, differences at this level should be deepened between countries with similar ideologies, such as those of the European Community, the United States and Japan. There is, in fact, close interdependence between the economic and trade policies of these three major market areas, particularly between the Community and the American market. Refusal to increase this interlinking leads only to an increased interdependence and a special relationship between the United States and the Soviet Union, not least because these are two great systems which naturally complement each other and are comparable in economic and financial terms. And this could only harm the process of European unification.

(Applause)

President. — I call Mr Fellermaier on behalf of the Socialist Group.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, the Socialist Group welcomes the motion for a resolution tabled before this house today. Mr de la Malène did not have an easy task—this I must say—as the rapporteur for the Committee on External Economic Relations.

We have wrestled with this text at several meetings. That the committee has approved this motion for a resolution by a large majority is, however, proof of how seriously the responsible parliamentary committee has taken questions arising in connection with the GATT negotiations. We should like to thank Mr de la Malène for his magnificent report, which is the subject of today's debate.

I do not intend going into the motion for a resolution in detail, not only because of the lack of time but also for another reason which should be stated quite openly in this Parliament. We are today in the strange position of talking with the Commission on the question of the GATT negotiations at a time when the Council has already given the Commission the mandate to conduct negotiations, which it did at its Luxembourg meeting. Parliament is therefore lagging behind, not because we wanted it that way but because the Council did not choose to consult the European Parliament on this question. The Council likes to hear the opinion of this House on many questions such as the processing of fats, the reduction of customs duty on skins and furs, but when it is a question of preparing a basis of negotiation for all the countries of the Community, Parliament is not consulted by the Council.

We can at least be grateful that a dialogue can—and will, I am sure—take place between the Commission and Parliament on this subject. Nevertheless, this is not a satisfactory state of affairs. In above all a debate of this kind, Parliament must urge the Council to meet its obligations by formally consulting Parliament before such negotiations. If Parliament cannot have its say on questions concerning the economy, the monetary situation, the Community's attitude to the developing countries, the further liberalisation of world markets before the Council has given its instructions to the Commission, when is it to have a say? I would therefore like to thank Sir Christopher Soames for what he has said to Parliament and at the same time ask him to seek a form of permanent dialogue with Parliament so that it is informed by the Commission on the status that negotiations have reached at any time, since—as Sir Christopher has said — Europe and the world as a whole will be occupied with the GATT negotiations for a long time.

I feel that even though the Council has not become aware of its responsibility, we should be grateful that the Commission sees this responsibility in the same light as Parliament and that we at least can achieve lasting consultation in a spirit of true partnership.

(Applause)

President. — I call Mr Bangemann on behalf of the Liberal and Allies Group.

Mr Bangemann. — (D) On behalf of the Liberal and Allies Group I should like to make a few basic remarks on the problem we are now discussing.

Firstly, our group is happy to see that the Community as a whole intends advancing the principles of liberalizing markets at the forthcoming negotiations.

It is perhaps not exactly easy for those who fear they will suffer disadvantages at the beginning to support this principle; but in the long term every country has benefited by the liberalization of trade. The prerequisite is of course that the basis is the same for everyone.

This basis is not the same everywhere. With regard in particular to questions arising between us and the state-trading countries and also between us and the developing countries, we face a number of special problems which can only be solved if the principle remains the liberalization of world trade. No principle after all exists for its own sake, but is intended as the basis on which a reasonable solution can be found.

This brings me to my second remark. I should like to thank Mr de la Malène, who has again stressed in his oral report the basic importance of Paragraph 12 and 13 of the motion for a resolution which emphasise that liberalization alone would mean a step backwards in the case of the developing countries.

Sir Christopher Soames has also pointed this out, and I should like to thank him for this and particularly stress on behalf of my group that this point is of major concern to us.

It is by no means unimportant that we place this question in the foreground, since we are of the opinion that development policy should cease to consist in paper resolutions and result in real advantages for these countries, which, it would appear, are lagging further and further behind in the development of the world generally.

This will only happen—and this is the third basic comment I have to make—or at least only at the beginning, if production in these countries is promoted where they can begin without too much difficulty to stand on their own feet, that is to say in agriculture.

It is therefore quite right for the Committee on Agriculture to stress—and the Council has also made this the basis of its negotiating guidelines—that the general principles of our agricultural

market, in other words Community preferences, unity of the market and common financial responsibility, should initially be maintained. But—and I am grateful to Sir Christopher Soames for stressing this nuance, and the Committee on Agriculture has also implied this—this is not an inflexible dogma. In this case too there must be flexibility.

We must realise that when granting developing countries preferences we can only help them if the Community remains less than 100 % self-sufficient in the long term. In view of the lack of foodstuffs, the objection will today undoubtedly be raised that this is possibly just a thing of the future. At present this is no doubt correct since the sole concern of these countries is to feed themselves.

If, however, they are to be placed in the position of not only feeding themselves but also of financing their imports with their agricultural produce and thus having a share in the general development of the world, we must open the way by initially granting them preferences, quotas and taking other measures. And this will only be possible if the Community is kept at less than 100 % self-sufficiency in certain sectors.

It is obvious that this is a social problem. Not to pursue a development policy outside the Community on the one hand and to neglect justified social requirements of the people of this Community on the other is an alternative that cannot be accepted. For this reason it is especially important to push ahead with the agricultural structure policy in particular; it is monstrous for the Community, which essentially consists of highly industrialised nations, to still have a percentage of the population working in agriculture which far exceeds the normal level. This will be a process which undoubtedly cannot be completed in a few years; but it is a process which is becoming steadily faster and it is because of this acceleration—that is without political influence—that social problems arise which we must solve.

Fifthly, this round of negotiations—and this should be particularly stressed from the point of view of the Committee on External Economic Relations—will affect not only the countries outside the Community but also the Community itself as a result of the Community's attitude. Mr Boano has already spoken about this. On behalf of my group I would also like to warn that negotiating positions which we now adopt in order to begin negotiating may become for us dogmas of our intra-Community development. It would be fatal for us to have to obey such dogmas and we should not let it come to this;

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we should rather keep development within the Community free of these basic stands.

Sixthly and finally, Mr President, I should like to point out that one item of what the Committee on Agriculture has suggested should be revised—or already has been revised, to judge by the remark that the Committee on Agriculture accepts the recommendation by the Committee on External Economic Relations; this is Paragraph 5 of the motion for a resolution which concerns the relationship between monetary questions and trade questions. These two sets of questions no doubt run parallel and are objectively interdependent. But making the negotiations and the results achieved dependent on what is done in the monetary field—and it almost sounds as if the second sub-paragraph of Paragraph 4 of the opinion of the Committee on Agriculture is demanding this—would undoubtedly not be a sound basis of negotiation because no progress at all could then be made.

One final point. What Mr Fellermaier has said with regard to Sir Christopher Soames has my full support. The fact that we have achieved a satisfactory result is without doubt due in no small measure to him and also to the really gratifying way in which he has co-operated with Parliament, and here I am thinking of yesterday's debate.

(Applause)

President. — I call Lord Mansfield on behalf of the European Conservative Group.

Lord Mansfield. — I shall not exceed my allotted time of five minutes for two reasons. First, as happens all too frequently, our discussions in this Parliament have already been pre-empted by the decision of the Council of Ministers. Herr Fellermaier has covered that point and I will not stress it any further.

Secondly, many of the questions which I proposed putting to the Commissioner have already been answered by him.

On a personal note, I welcome Sir Christopher Soames to this Assembly today. On a group and national note, I would say, unless I am ruled out of order, that, although it has led to a series of unfortunate misunderstandings, we in the European Conservative Group were most gratified that no fewer than three members of the Commission should attend the Royal Show which, as some Members may know, is the premier agricultural show in England. For an acceding country to have that attention given to it by the Commission is extremely gratifying. Therefore, I am sorry that it should have led

to a series of misunderstandings within this Parliament.

Turning to the Agreement and the position reached by the Council of Ministers, on behalf of my group I welcome Mr de la Malène's report in substance and the joint position taken by the Council of Ministers.

It is perhaps not fully appreciated by us in Europe that some of our trading partners outside have their own internal lobbies which are just as disinclined to make a trading agreement with us as perhaps some elements within the Nine are disinclined to make trading agreements with them. I suggest that as the Council of Ministers has now, well within what might have been its time schedule, established its position in advance of that of the United States of America, that can only help the negotiations to come. In the short term President Nixon must try to get through Congress a Trade Bill which gives him negotiating room. At least the United States and Japan know where we stand. The President of the United States, for domestic reasons, is in a somewhat weaker position than he was a year ago. However, it is gratifying that the Americans cannot complain that nothing has been held out to them. The Commission has retained what I consider to be a certain flexibility so that President Nixon can be helped to get his Trade Bill through Congress.

There is no doubt that, as always, the Community's common agricultural policy has proved a stumbling block. I do not dissent from the view that the common agricultural policy's principles and mechanism should not be called into question. However, I very much welcome the fact that for certain dairy and other products, such as cereals, rice and sugar, there should be an elaboration of the price system. That will not only help us in our negotiations, but it will help the underdeveloped countries.

I should have liked to ask Sir Christopher Soames to elaborate on how he sees the talks on trade and monetary agreements developing. I suppose there could be said to be a chicken and egg atmosphere here. I foresee that there will be plenty of trouble ahead, but time does not allow me to put any specific question. I hope that if there is an opportunity Sir Christopher will elaborate on that matter later in the debate.

Finally, I welcome the fact that no reference to defence has been made in the communication that came from the Council of Ministers. Most of us feel that, although the alliance which exists between various countries on both sides of the Atlantic is extremely important for our joint security and well-being, any discussions on defence matters should be outside the ambit

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of these world trade talks. Mr Kissinger has tried—whether consciously or not one does not know, but one has suspicions—as it were to superimpose defence questions on economic questions. However, it is gratifying that, so far as the Council of Ministers is concerned, defence will not enter into the negotiations which are to be conducted by the Commission.

That is all that I wish to say at this juncture. I hope that the Commission will keep us informed of its negotiations and that I may be so bold as to hope that it will ask us for our comments from time to time as the negotiations proceed.

President. — I call Mr de la Malène on behalf of the Group of European Progressive Democrats.

Mr de la Malène. — (*F*) Mr President, I want it to be clearly understood that I am now speaking as a representative of my group, and not in my capacity as rapporteur of the Committee on External Economic Relations; if any difference in tone is noticeable, that is the reason!

On behalf of my group, I should like to say that we are naturally in favour of negotiation, since we expect the development of international exchanges to bring both economic and social progress to all the parties concerned, just as the development of exchanges—as Sir Christopher Soames said a little while ago—has produced mutual enrichment during the last few years.

But—this is my first point—we must make no mistake about the purpose of negotiations. These should not be directed towards solving such and such a problem, of interest to such and such a member of the Community, but rather towards developing exchanges between equal partners and nothing less. We must not therefore allow negotiations to drift towards any objective other than that of developing exchanges and therefore the economic and social progress of the various parties concerned.

Second point: the need for reciprocity. Sir Christopher said so a little while ago, the Commission proposed it, and it was accepted by the Council: the notion of effective reciprocity must be one of the bases of negotiation; no-one must come to the negotiating table as accuser or accused.

There must be reciprocity in negotiation. We in the Community have no guilty conscience about what we have done in the past in regard to

tariffs and the commercial consequences of our existence. We are fully aware that the enlargement of the Community caused problems—it could not be otherwise—just as the creation of the Six did, but this did not fundamentally modify trade. In regard to the positions we took up in the past on tariff matters, during the various negotiations: the Dillon Round, the Kennedy Round—we have no guilty conscience and we come to the negotiating table as others should: with the intention of holding discussions on the basis of reciprocity.

Third, we regret that there are some who come to the negotiating table bearing the threat of reprisals. This is not the way we negotiate. We could have asked you to act like those who embark on negotiations by saying: if we do not obtain satisfaction, we shall raise our tariffs and strengthen our protection—and who even incorporate it in the text of laws organizing these negotiations.

We do not ask you to act in this way, but we regret that others have found it necessary to envisage it, to say it and even to vote it.

Fourth, we have to note three areas of resistance. Sir Christopher spoke of aerodynamics to overcome resistance. Agreed, but there are three areas of resistance: the principles of European construction, that is to say, a tariff which has a certain meaning and which is not a zero tariff that will run counter to the interests of developing countries; common policies, essentially agricultural policies; association policies.

The first area of resistance which must not be aerodynamic is that of European construction, the principles of which must be respected, which must not form the subject of negotiations.

The second, important, area of resistance is that of the interests of the developing countries which must be taken into consideration wherever necessary. Negotiations should not be held between rich countries at the expense of the less developed countries.

The third area of resistance is constituted by social problems. It is absolutely essential that we do not lose sight, during negotiations, of the social interests of our countries, so that the internal equilibrium of the Community is not endangered. Naturally, if I had more time, I would deal with monetary problems. I touched on these briefly a short time ago in my capacity as rapporteur. An earlier speaker spoke of the chicken and the egg. It is rather a question of parallelism. And, while I would not wish to establish a strict timetable, it seems to me quite

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clear that it would be useless to talk for months or even years on end, of lowering tariffs, however modest, if, at the same time or before or afterwards, some monetary mechanism or other made all negotiating efforts futile.

There is no doubt that in the present monetary system, there must be parallelism towards restoring order, accepted by all, to the international monetary system.

In conclusion, I should like to say that, if we are to succeed, we must remain firmly on commercial ground, the monetary climate must be improved, there must be one European voice. Admittedly, the environment, to use a current popular expression, is not an easy one. Given the climate in which the world is now living, it will, I fear, be more difficult to succeed in these negotiations. It was no doubt easier to push ahead the Kennedy Round negotiations than it will be tomorrow to make head-way in the GATT negotiations that will be starting in Tokyo. Indeed, the monetary environment and many other international difficulties will make these negotiations more difficult than the previous ones.

This is no reason not to undertake them. My group ardently hopes that they will be undertaken with optimism and dynamism, but we feel that the few conditions I have mentioned are necessary not only to maintain European construction and the social equilibrium of our countries, but also to assure the success of negotiations.

(Applause)

President. — I call Mr Sandri. I would remind him too of the limit on speaking time.

Mr Sandri. — (I) I rise to thank Mr de la Malène for his report and to explain why our Group will vote for this resolution, although we are not satisfied with some of its aspects. The motion, in the part concerning principles, expresses the hope that the negotiations will be conducted in a spirit of cooperation and of constructive dialogue between all the partners; the hope is very proper. We know now, however, that this is not the case. It is enough to recall some statements by prominent United States personalities rejecting the principle of reciprocity in the negotiations or laying down preliminary conditions. It may be said that the attitude of others does not invalidate the hope expressed in the resolution. True, but when we look at paragraph 3 of the resolution—requesting that there shall be no discussion of common policies already put into effect in the European Community—we should be aware that current devel-

opments in the world market, particularly in the monetary field, have already put a question mark over some common policies. It seems, therefore, that we should, on the one hand, emphasize what are the real aims of the negotiations and, on the other, state clearly, as the European Parliament, that unless there is reform of the monetary system, any results of the multilateral trade negotiations may be vitiated overnight.

As regards the second part of the resolution, concerning objectives, I shall only draw attention to paragraph 12 and 13 which relate to developing countries. I should think that the Parliament, in voting for the resolution, ought to stress vigorously the need for Community negotiators to fight on behalf of the claims of the emerging world. In this matter the European Community has a better standing and credentials than the other negotiating partners. But we should not be unmindful of some signs of concern and impatience which we have seen demonstrated *vis-à-vis* the Community by some developing continents, such as Latin America and Africa. We must not exclude the possibility that, in making a stand against what is called Community agricultural protectionism, against the so-called closed-circuit association between the EEC and AASM, against the possible establishment of a Mediterranean free-trade area, the United States negotiators may draw at least some of the third world countries to their side. A strange but not impossible thought. We are therefore reminded of the need for Community self-defence, by assuming first of all the leadership of the industrialized capitalist world in an effort to promote the development and independence of the countries of the third world.

I should like to remind you that early in September representatives of non-aligned countries will be meeting in Algiers. We should like that gathering to recognise that our Community can be sympathetic to their needs, capable of looking a long way ahead and seeing the historical processes which have already brought about the extraordinary changes on the international scene which we are witnessing.

In this sense, Mr President, we approve the resolution. We believe that the European Parliament should urge the Community to conduct the negotiations with a clear political will, and with a bold determination—not to wage a trade-war which would be lost by Europe and could end in catastrophe for the world—but determination to negotiate fairly with equals.

In this spirit we approve the resolution fully and wish to join Commissioner Soames in thank-

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ing Mr Fellermaier, but above all we join him in expressing the hope that this Parliament, kept regularly informed of the progress of the negotiations, will be able to make its own voice heard and thus contribute to a favourable outcome of these negotiations.

(Applause)

President. — I call Mr Dewulf.

Mr Dewulf. — (NL) Mr President, I should like first of all to thank Mr Sandri for his extremely positive and constructive words. Like Mr Héger, I am of the opinion that events have progressed so far that this debate is now irrelevant. I would ask Mr Soames whether he has carefully perused the opinion of the Committee on Development and Cooperation. Miss Flesch and Mr Achenbach could not be present here today. There are in the present report a number of matters on which Mr Soames has not yet commented. Perhaps he will do so today in this plenary sitting.

My second observation touches on a topical matter. It is of course easy for us to give unanimous expression to our will and to leave for home having declared our good intentions. Meanwhile, however, in Geneva—Sir Christopher has not yet spoken about this—the preparatory negotiations have begun. A Community spokesman issued a statement yesterday. In the meantime, too, the other negotiators have been having their say. I should be very interested to learn in this operational debate how—apart from the declaration of intent—the Community's attitude is going to evolve in the four weeks so decisive for the preparatory negotiations.

The rapporteur has produced a report, a few points of which I should like to underline. Agreement has been reached without difficulty about the general objectives. However the developing countries have already made it clear that they regard 'international division of labour' as an essential future objective. How shall we Europeans reply to this? There has also been talk about 'les objectifs des négociations complémentaires', which are essential for making the GATT rules—liberalization for the competitively weak—operational. There was also talk about industrial cooperation, financing, combined with access to markets, transport, stimulation of trade and similar subjects.

I should like here to mention, in passing, the most important problem of the multi-national undertakings. It is a problem that has become, alongside the classic writings on the 'promotion des échanges', an extremely weighty factor of distortion in capital and trade movements. As

regards trading principles, the developing countries have asked us to abandon the most-favoured-nation clause. What is to be our answer to this?

As regards agriculture, shall we finally succeed in bringing this sector within the GATT framework and in breaking down the whole complex of agricultural problems into practical rules that can be applied in international dealings? And here the big question is: will the Community, in the agricultural policy sector, be able to reconcile its internal policy with its external responsibility?

The developing countries have also asked for the possible revision of other GATT rules.

Those were, Mr President, a few questions I very much wished to put to Sir Christopher. I hope that he will say something in reply to them today.

President. — I call Mr Vetrone, the last speaker. May I urge him not to exceed his five minutes.

Mr Vetrone. — (I) Mr President, ladies and gentlemen, Mr Boano, speaking on behalf of the Christian-Democratic Group, has posed a problem. He, apparently, was surprised by the solemnity of the Council's declaration that not only the basic principles but also the mechanisms of the common agricultural policy shall not be negotiable. Mr Boano asked whether this very binding statement was intended for external consumption (in which case he seemed inclined to welcome it) or for internal use, in which case he would have some reservations to make, in so far as the statement would tend to arrest the process of review (not reform) which the common agricultural policy is now undergoing.

It all certainly hinges on the surprise evoked by this declaration of the Council which has unanimously adopted a position thought to be held only by one of the nine Members of the Community.

We must hope, as Sir Christopher Soames has said, that in the course of the forthcoming negotiations common ground can be found and a general agreement reached on a number of products, including cereals and sugar. Now it is clear that following such agreements, which should result in the stabilization of markets for these products, it would be possible to proceed to the modification of some of the common agricultural policy mechanisms, including the levy system. It is in fact obvious that once a world-scale arrangement has been made and the stability of a market—say, for cereals—ensured, the Commission should not have to continue to calculate daily the levy

Vetrone

on those cereals. So at least in this case there will have to be adjustment of a mechanism.

No mention has been made in this debate (unless it escaped me or I am misinformed) of the compensation negotiations going on in Geneva. As these negotiations are due to be completed at the end of July, I venture to put the question: if they do not end in agreement, will Congress authorize President Nixon to begin the negotiations in September? Or will the Community be forced to compromise by including the questions regarding the GATT negotiations in the agenda for Tokyo? I should like Sir Christopher Soames to answer this question, for since we know very well what these compensation talks are about, the principle of non-negotiability of the mechanisms—at least of the common agricultural policy—could come up against this obstacle.

As for the relationship between the trade and the monetary negotiations, Sir Christopher stressed that the outcome of trade negotiations will be decided in the light of the progress in the monetary domain.

What does that mean? That the conclusion of these negotiations is after all linked to the progress of the monetary negotiations? It would be extremely interesting to learn the answer to this, and to know whether, if the progress is not satisfactory, the Community will refuse to sign the agreements negotiated in the trade domain. I expect an answer from Sir Christopher on this.

And finally: when it is said that the interests of the developing countries must be safeguarded, and even that we should try to grant them new preferences, do these developing countries include also those of the Mediterranean area, and does the Community propose to effect towards them also a general preference policy? It is clear that the concern expressed earlier by Mr de la Malène in one of his three fundamental points is relevant here. The social interests of our countries, and particularly the southern countries of the Community, would be seriously affected if the Mediterranean countries were to enjoy the same preferences as it is intended to grant to developing countries.

I, too, have found Mr Sandri's speech valuable. But I would say to the honourable gentleman that my feeling is that the countries of the third world will not be on the side of the United States against the Community, but, if necessary, will side with the Community against the United States. Because, clearly, any concessions made by the Community to the developing countries will obviously affect the interests of the United States: and for this reason they cannot find themselves in the same camp.

Nevertheless I trust that in September, whether in Tokyo or in Nairobi—for we must also remember the opening of the monetary negotiations—there will be meetings in a spirit of cooperation and not confrontations carrying on the current polemics and the trade and monetary strife.

(Applause)

President. — I call Sir Christopher Soames for a brief reply.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — I ask the House to forgive me for speaking twice, but I thought this was the best way to approach the debate.

I wish first to take up one or two specific points made by some Members and then move on to the more general points raised by others.

On the specific points, I take first what Mr Vetrone said about the Article 24(6) negotiations, or, as he called them, the 'compensation' negotiations. We discussed this matter in the Council on 25/26 June and we shall be discussing it again at the July meeting. As for the Commission, we shall certainly do our best to get this finished and out of the way by the end of July. It remains to be seen how effective we shall be in this and to what extent we shall be successful. We shall be pressing on with it as fast as we can. We would dearly like to see these negotiations completed.

The other point of a detailed character was made by Mr Dewulf regarding multinational companies. This is of course a point of considerable importance. We gave thought to whether the Commission should propose that the matter be incorporated in our *vue d'ensemble* of the GATT negotiations, but came to the conclusion that this would not be right. This does not mean that the problems of multinational companies should not be discussed in the international forum, but we believe that it is in OECD rather than in GATT that the problems of multinational companies come up most naturally, and there rather than in the GATT round that they could be most usefully discussed and, we hope, resolved.

Mr Dewulf also referred to the most-favoured-nation clause. As regards the application of the MFN to developing countries, the GPS — the generalised preference scheme — is of course in precise GATT terms itself a waiver of the most-favoured-nation clause. But we think this is right and we shall of course be seeking to improve our generalized preference scheme.

Soames

This brings me to one of the major points mentioned by a number of Members during the debate, namely, our attitude towards the developing countries.

As we reduce tariffs, there is inevitably some erosion of the preferences given to developing countries. Not only do we believe that this should be made up, so that the developing countries do not suffer, but we wish to go further than that in the negotiations and to ensure that, in terms of the balance of advantage between developing and industrialized countries, greater advantage is given to the developing countries than is the case today.

This will mean taking two factors into account. The first is the quantities of those goods already included in our generalized preference scheme. The second is the range of products included. That range of products must give some satisfaction to the developing countries, enabling them to draw some advantage, otherwise it would be useless. We are fully wedded to the concept of doing what we can to ensure that the situation of the developing countries is not only not eroded but, on the contrary, improved.

I turn to the specific point raised by Mr Vetrone on the situation in these negotiations of those developing countries which have particular associations with the Community, as compared with other countries. The whole House will agree that this is a subject to which the Community attaches importance. There are certain areas of the world and certain developing countries with which we have special arrangements and for which we have a special responsibility. In these negotiations we do not intend to erode the advantages which they have in our markets. We hope to sustain that principle.

Another major point raised by a number of Members concerned the link between the monetary negotiations and the trade negotiations. I mentioned this subject at the beginning, but, having listened to the debate, may I say a little more about it? We all agree that the Bretton Woods system has broken down. There is no longer any confidence in the fixed parities system as we have known it since the war, and it is this lack of confidence in the fixed parities system which is producing so many of our monetary troubles today. There is no doubt whatever in any of our minds that the system needs to be reformed.

Where does this lead us in our trade negotiations? These trade negotiations will be long and difficult and certainly complicated. We hope that they will be beneficial. The whole world has benefited from the liberalization of trade and we have to keep this movement of liberalization going, and not permit it to stop.

Let us consider the monetary developments taking place and the changes of a monetary character which may take place over the next two or three years. What would be the use of spending time arguing over tariff reductions, conducting long negotiations to bring about certain reductions in tariffs and in non-tariff barriers, and in sweeping away many of them, if at the end of the day we had total monetary uncertainty? In those circumstances our negotiations would have brought us nothing like the advantages we hope to achieve.

It was for this reason that we stated that at the end of the day, when deciding on the results of these negotiations, we intend to look upon them in the light of what has been happening on the monetary front—and I have in mind, for example, the International Monetary Fund and the Committee of Twenty. They must get on with their work, for what is the use of proceeding with these trade negotiations unless we feel that there is a will to bring about a solution to the monetary problems which will enable trade to flow—a solution which will provide a monetary prospect such that, internationally, we can take advantage of the greater liberalization of trade resulting from the negotiations?

A further point frequently raised in the debate concerned the common agricultural policy, on which I feel there were varying emphases by a number of different Members. In particular, Mr Boano seemed a little disappointed in the way in which the agricultural chapter had come out from the ministerial mill. But when people talk about the principles of the agricultural policy, the aims of the agricultural policy, the mechanisms of the agricultural policy, and the modalities of the agricultural policy, it is not always true that they all know what each of the others means in referring to these technicalities.

Having presented my paper to the Council and discussed it at some length, I told the House what it is that we in the Commission have in mind when reference is made to what is and what is not negotiable.

Let us consider, first, what is not negotiable. It is the principles of the common agricultural policy—namely, a single market, Community preference and financial solidarity. These are the principles of the agricultural policy. The aims of the agricultural policy are set out in Article 39, taking into account Article 110 of the Treaty.

I turn to the mechanisms. I put it to the Council that the mechanisms were what supported the principles—what made it possible to implement the principles. In my view the main mechanisms

Soames

are the levy system, intervention in the market and the ability to export surpluses. These are the mechanisms. When we say that these are not for negotiation, we mean that they are no more for negotiation than was anybody's agricultural policy during the last Kennedy Round.

The broad outline of the policy is not for negotiation, but that does not mean that we cannot arrive at some sort of agreement on a commodity basis or arrangements on a commodity basis—sometimes called an agreement and sometimes rather looser and called an arrangement—which should enable us to have a greater degree of flexibility in these mechanisms without in any way sacrificing the mechanisms or giving the impression that they are open for negotiation—because they are not.

I hope that I carry the House with me in explaining how we approach these negotiations. I have outlined the background to our thinking in this respect, leaving aside any multinational and international negotiations. We believe that it is necessary and in our own interests to take this approach with respect to our common agricultural policy, which in my view is of primordial interest and one of the cornerstones of the Community. The greater interest we have in its survival, the greater should be our desire to ensure that it serves its proper purposes and that it is appreciated as "good news" and as being worthwhile in terms both of our farmers and of their clients, the consumers.

But we must keep a constant watch on it and update it, and we must be careful not to get on the defensive. We must not think; "You cannot touch it, because if you do, where will it lead?" We must constantly watch it and improve it, but not in terms of international negotiations. We must constantly update it and ensure that it can deal with the pressures put upon it, as they vary, just as, in the same way, other agricultural policies have been evolved over the years in other circumstances. (I remember having had something to do with another agricultural policy!) It would be very foolish to suggest that it could never be touched—but that is an internal matter not connected with international negotiations.

That is all that I wanted to say, except that one or two honourable Members, notably Mr Fellermaier and Mr Bangemann, were kind enough to refer to the dialogue between the Commission and Parliament.

It is not for me to comment on what Mr Fellermaier said about the relationship between the Council and Parliament, but, where the Commission is concerned, Mr Dewulf's remark that this matter was a bit *passé* before it started is

not true. All that we have is a general approach which will take us up to the Tokyo meeting in September. We are first in the field. We must show the rest of the world—our partners—the line which we shall be taking, but this will need to evolve constantly as the negotiations continue.

We cannot negotiate always in a public market place. We must at times keep our cards pretty close to our chests, which is not always easy in the glasshouse in which we work. We must try to negotiate in a serious manner in the European interest. But, subject to that, it will be my desire to keep a constant dialogue going with the committees responsible for these matters, and with Parliament, in these negotiations which are of the greatest importance for Europe. If we go on as we have done up to now—thanks very much to the excellent report clearly and concisely prepared by Mr de la Malène and his colleagues—we can feel that we are on the right road.

(Applause)

President. — One moment, Mr Kirk.

Thank you, Sir Christopher.

I urge the House to make every possible effort to finish the debate and the vote on the motion for a resolution before lunch.

10. *Committee meetings during plenary sittings*

President. — I call Mr Kirk on a point of order.

Mr Kirk. — Mr President, we are about to vote on a very important document to which there are a number of important amendments. I understand that at this moment one of the major committees of this Parliament is meeting in a separate place in this building and that the Members will not be here to vote on this matter. I recognize that the Bureau and you, Mr President, have the right to allow such meetings to take place. Indeed, the Political Affairs Committee met for most of yesterday afternoon. I believe that this practice should be discouraged when we are moving towards a very important vote on an important document with amendments, which will cause difficulties anyway.

President. — I wish to leave Mr Kirk in no doubt as to my dismay in learning that this meeting of the Committee on Economic and Monetary Affairs is now taking place. Approval for this meeting has been given neither by the plenary sitting nor by the Bureau. What was

President

agreed was that, in view of the extreme urgency of the matter to be dealt with, the committee could meet, but outside the times for plenary sittings. I now learn that the committee's meeting, originally scheduled for 1 p.m., has been put forward to 12 noon at the Commission's request, because the Commissioner concerned will not be available after 1 p.m.

I propose that we request the members of the Committee on Economic and Monetary Affairs to regain their seats in the Chamber so that they can take part in the voting on the important matter now before the House.

I call Mr Fellermaier.

Mr Fellermaier. — (D) The Committee on Economic and Monetary Affairs, not the Political Affairs Committee!

President. — That's what I said, Mr Fellermaier, please continue.

Mr Fellermaier. — (D) Mr President, I am sorry that I cannot agree to this procedure. A committee must be able to do its work and this is not the case when it has begun a meeting because it was brought forward out of courtesy for a member of the Commission. If this meeting is suddenly broken off, it will look as if Members of this House are the guilty ones, although they are only doing their duty by meeting in committee. I therefore feel that the Commission and the President of this House should find a solution which is not at the expense of those who have gone to a meeting, since it was not they but the Commission that arranged that meeting.

President. — It was not my intention to complicate matters for the members of the Committee on Economic and Monetary Affairs. My remark was not directed at them. Everyone knows to whom it was addressed.

I see that my remark has been noted in the appropriate quarters. Would the Secretary-General duly record that the members of the Committee on Economic and Monetary Affairs have been invited to remain in the plenary sitting.

11. *Approach to the forthcoming GATT negotiations (cont.)*

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

On the preamble and paragraph 1 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

They are adopted.

After paragraph 1 I have Amendment No 1, tabled by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats and worded as follows:

After paragraph 1, insert a new paragraph worded as follows:

"1a. Affirms that the purpose of these negotiations is not to solve any specific problem, but that the ultimate aim is the social and economic development of all the countries involved, whether industrialized or developing."

I call Mr Bourges, whom I would ask to very brief, to move this amendment.

Mr Bourges. — (F) Mr President, my task has been made much easier by the exposé given by Commissioner Soames. It is necessary, and this is basically within the spirit of a declaration of the Commissioner, to clearly show in the preamble not only that our Assembly approves the broad lines of the proposals made by the Commission, but also that it affirms that the whole of these vast negotiations are directed towards ensuring the economic and social development of all the countries of the international Community, whether they be industrialized or developing. This solemn declaration would clearly indicate the fundamental character of the negotiations and the goals towards which they are directed.

President. — I call Mr Dewulf.

Mr Dewulf. — (F) Mr President, the rapporteur seems to me to be in a somewhat difficult situation. He is at the same time chairman of the committee and rapporteur, and he ought to say something about the amendment he has just defended as spokesman of his group.

Excuse me for saying so, Mr Bourges, but now that Mr de la Malène has given a succinct commentary on all the amendments made by your group, you are, in a way, placing the members of the Committee on External Economic Relations in a difficult situation. The proposed resolution was adopted unanimously, in the presence of Mr Cousté and the chairman-rapporteur of his committee, and it was our concern for unanimity that led us to approve the text as presented to us.

Be that as it may, your texts, Mr Bourges, do not create any great difficulties; we consider them illuminating on certain points of this

Dewulf

agreement of ours, and Mr de la Malène has said much about the spirit in which you submit texts to us. Your more subtle, more incisive, point of views is therefore recorded in the minutes.

This being so, with a view to making Parliament's work easier, could you not accept the agreement to which you have won us over and withdraw your amendments?

President. — What is the rapporteur's position?

Mr de la Malène, rapporteur. — (F) Mr President, I am usually very courteous towards all my colleagues and I gladly let them speak before me. That is why I let Mr Dewulf speak, but I am a little sorry I did so, because I had the intention of saying, in the clearest possible way, that I was going to speak as rapporteur of the committee and that my position as such has nothing to do with the position of Mr Bourges as chairman of my group. As rapporteur, I intend to defend the position of the committee, and when the committee entrusts me with a task, I fulfil it as best I can, with the greatest possible impartiality.

As rapporteur—I say this in order to gain time, Mr President—I consider that since the first of the five amendments tabled by my group had not been discussed by the committee, I could not but look to the wisdom of the Assembly.

But for the others, on the other hand, the question is a matter of debate and after some difficulty—which was of course to be expected—the committee agreed on a text. I could not therefore, as rapporteur, accept them.

The first has not been discussed, I look to the wisdom of the Assembly. As for the others, the committee is not favourable to them.

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

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

Amendment No 1 is adopted.

On paragraph 2 I have Amendment No 2, tabled by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats and worded as follows:

At the end of this paragraph, insert the following: "that they will be based on genuine reciprocity, excluding any means running counter to the declared objective of greater liberalization."

I think this amendment has already been discussed at some length. The rapporteur has

moreover indicated that the committee is against it.

I call Mr Bourges to move the amendment.

Mr Bourges. — (F) The notion of providing for reciprocity in the negotiations is an essential one. That is all we wanted to add.

It is stated in the text that negotiations should be conducted in a spirit of co-operation and constructive dialogue.

We fully agree. We ask that they be based on effective reciprocity. This idea is not unimportant. We hope that the whole of Parliament will clearly show through this amendment that the legitimate interests of the Community must thus be defended.

President. — I put Amendment No 2 to the vote. Amendment No 2 is not adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

On paragraph 3 I have Amendment No 3, tabled by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats and worded as follows:

This paragraph should be worded as follows:

"3. Reaffirms that the basic economic and social objectives of the Community and the common policies which have already been put into effect and are now mainstays of the building of Europe shall not be called into question during these negotiations."

I call Mr Yeats to move the amendment.

Mr Yeats. — It is extremely unsatisfactory that these important matters are being considered just before the adjournment.

The reason for Amendment No 3 is clear. Paragraph 3 as it stands, while it expresses the general sense with which we would concur, is nevertheless very weak and not adequate to convey the full meaning of our position in the EEC.

Our group feels that the danger in these negotiations is that a number of countries, amongst them the United States, tend to look upon us in the Community as a sort of rich man's club sitting tightly behind our own trading arrangements and adopting a selfish outlook towards the world.

It is necessary that we make clear without any doubt that this is not so and that we look upon the European Economic Community as a great ideal, one of friendship and solidarity

Yeats

amongst all our peoples, so that we are indeed building a new Europe. We want to make it clear that we are not just being difficult in starting on these negotiations by making a series of non-negotiable demands.

The principle behind the amendment I believe is one with which all Members will be able to agree.

President. — I would ask members of the Committee on Economic and Monetary Affairs present in the Chamber not to resume the meeting of that committee until after the vote now in progress.

I call Mr Lange.

Mr Lange. — (D) Mr President, ladies and gentlemen, I very much regret this incident. But the meeting of the Committee on Economic and Monetary Affairs serves the purpose of preparing for this afternoon's debate, since a very decisive point, the European Monetary Fund, is to be given definite shape by the Commission and we are to be informed on this by the Commission. All the members of all the groups should be advised of the additional progress that has been made and the meeting was therefore set for 12 a.m., a time which was approved. I am sorry that we have only another quarter of an hour left. The Vice-President, Mr Haferkamp, is the responsible man on the Commission side. I would ask you, Mr President, to allow the members of the Committee on Economic and Monetary Affairs to continue the meeting on these conditions.

President. — I do not think Parliament can accept that proposal. The Commission will have to find some other way of holding an exchange of views with the Committee on Economic and Monetary Affairs. Following the vote in progress the sitting will be suspended for one and a half hours, during which time a meeting could be held. It is quite unacceptable for committee meetings to be held during a plenary sitting.

We shall return to Amendment No 3.

I put this amendment to the vote.

Amendment No 3 is not adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

On paragraphs 4 and 5 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

Paragraphs 4 and 5 are adopted.

After paragraph 5 I have Amendment No 4, tabled by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats and worded as follows:

After paragraph 5, insert a new paragraph worded as follows:

"5a. Insists that developing countries be guaranteed a greater and more equitable share in the worldwide distribution of the results of expansion, in accordance with the ideal of solidarity between nations which is a guiding principle of the Community."

I call Mr Yeats to move this amendment briefly.

Mr Yeats. — The previous amendments tabled by our group were essentially a matter of trying to improve the wording of the report.

Amendment No 4 is different in that it brings in a concept in the section of principles which is not at present included but certainly should be. It is disappointing—indeed, extraordinary—that in the section of principles there should be no reference to the developing countries.

We must at all costs not allow ourselves in the course of these negotiations to be dubbed a rich man's club by increasing our own prosperity at the expense of the Third World. As we ourselves hope to grow more prosperous in future years, we must clearly allow an ever-larger share of that prosperity to be devoted to the developing countries. We must look after them.

Indeed, Sir Christopher Soames made a very satisfactory statement about helping the developing countries. It seems to me elementary that, in full agreement with everything Sir Christopher has said, we should include some such reference in the resolution.

President. — I remind the House that the rapporteur has indicated his committee's opposition to this amendment.

I put Amendment No 4 to the vote.

Amendment No 4 is not adopted.

On paragraphs 6 to 12 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

Paragraphs 6 to 12 are adopted.

On paragraph 13 I have Amendment No 5, tabled by Mr Bourges and Mr Yeats on behalf of the Group of European Progressive Democrats and worded as follows:

President

After the words:
"of our relations"

insert the following:

"particularly those concerning trade and markets."

I call Mr Bourges to move the amendment.

Mr Bourges. — (*F*) Mr President, in our opinion, the wording proposed to us: 'emphasizes to this end that a mere liberalization without any other organization of our relations' does not have, at least in French, satisfactory significance. That is why we thought it important, and even necessary, to specify 'especially exchanges and markets'.

For the organization of relations that may exist between the EEC and certain developing countries may involve, in particular, trade agreements, tariff quota agreements, or even market agreements. In particular, even at international level, we hope, as you know, that there will be agreements on tropical products guaranteeing the producers and these countries a fair and stable remuneration.

That is why we wish to introduce these extra words, the significance of the very general formula proposed in the resolution seeming to us inadequate.

President. — The rapporteur has stated that his committee opposes this amendment.

I put Amendment No 5 to the vote.

Amendment No 5 is not adopted.

I put paragraph 13 to the vote.

Paragraph 13 is adopted.

On paragraphs 14 and 15 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

Paragraphs 14 and 15 are adopted.

Before putting to the vote the resolution as a whole, I shall call the speakers listed to explain their voting intentions.

I call Mr Bourges .

Mr Bourges. — (*F*) Mr President, I should like the Assembly to clearly understand that our group has not tabled these amendments for the sheer satisfaction derived from protest.

It is true, as Mr Dewulf said, that these amendments fall naturally within the general framework of the report. It seemed to us that on certain points, however, it was necessary to

clarify Parliament's thinking. For my own part, while I experienced a certain satisfaction on a matter of principle, with this adoption of the first amendment, I must say how regrettable it seems to me, and I am now speaking on behalf of my entire group, that the amendment to paragraph 4 and the amendment following paragraph 5 should have been rejected by the Assembly.

For the text that the majority of the Assembly has adopted in paragraph 3 seems to me to be really dangerous insofar as it states that what cannot be made the subject of discussion are the *present* pillars of European construction.

In our opinion, these principles, which cannot be questioned, are *definitive*. I think, in particular, that farmers of the EEC countries ought to have known that the European Parliament will not allow agricultural policy to be made the subject of discussion.

This was the essential aim of our amendment. It cut out vague or uncertain words concerning the future of negotiations and reaffirmed to the Parliament that 'the common policies already undertaken and which are the principal stages of European construction, could not be questioned during these negotiations'.

As for amendment No 5 which we presented, it seemed to us particularly important that the European Economic Community should affirm that it was one of its principles that it intended to make the solidarity established between nine of the world's richest nations an instrument for the general promotion of humanity, an instrument for the economic and social progress of all peoples.

Our group very sincerely regrets this omission for, to our minds, it is on the basis of the principles of solidarity of the international community that our Community should have affirmed its determination to use our wealth to further the development of the most needy. (*Loud applause from the Group of European Progressive Democrats*)

President. — I call Mr Bangemann.

Mr Bangemann. — (*D*) Mr President, I feel that the last few words should be most definitely rejected. For one thing, they are self-contradictory. If the sole objective of the amendments proposed by the Group of Progressive European Democrats was to clarify the basic theme of the recommendation, I cannot understand why there is so much excitement in that Group.

Moreover, your own explanatory statement, Mr Bourges, shows that you intended to change

Bangemann

this basic theme with your amendments. It was therefore right for Parliament to reject these proposals for amendments.

I should like to illustrate this with two remarks on Paragraph 3. As a committee, we have made it quite clear in our discussions that the position adopted by the Community in the negotiations should not impede internal progress, that therefore the present state of this Community must not become a subject of negotiation, but that the present state of the Community should not in any way impede internal progress.

Finally, with regard to the question which you, Mr Bourges, have tabled and which you should not, in my opinion, have been allowed to table: this resolution does not in any way mean that we will be closing our eyes to the needs of the developing countries. To conclude this from the rejection of your proposed amendments would be to fail to understand what this Parliament wants.

(Applause)

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, what we have just heard from the new chairman of the Group of Progressive European Democrats undoubtedly went further than what can normally be said in a statement of voting intentions. It did in fact open a debate on principles. I regret that the honourable Member's comments were not made at the beginning of the discussion since it would then have come to the—politically perhaps necessary—discussion between your group and other sections, or rather, as the vote has shown, the majority of the house.

I regret this because I think it is better for Parliament if we try to indicate not in the statement of voting intentions but in the debate itself where the differences and controversies lie.

(Applause)

President. — Does anyone else wish to speak?

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

Mr de la Malène, rapporteur. — *(F)* I would like to take this opportunity...

(Protests)

President. — I am sorry, Mr de la Malène, but we are already in the process of voting.

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

The resolution is adopted.¹

12. Approval of minutes

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

Are there any comments?

The minutes of proceedings are approved.

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

The House will rise.

(The sitting was suspended at 1.15 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: LORD BESSBOROUGH

Vice-President

President. — The sitting is resumed.

13. Visit of the President of the United States to Europe

President. — The next item is a debate on the report drawn up by Mr Fellermaier on behalf of the Political Affairs Committee on the motion for a resolution tabled by Mr Lücker on behalf of the Christian-Democratic Group, Mr Kirk on behalf of the European Conservative Group, and Mr Aschenbach on behalf of the Liberal and Allies Group, on the visit of the President of the United States to Europe.

I call Mr Fellermaier, who has asked to present his report.

Mr Fellermaier, rapporteur. — *(D)* Mr President, ladies and gentlemen, a full debate on the relations between the United States of America and the European Community was held in this House in May. That debate was prompted by the statement made by the Presidential Advisor, Mr Kissinger. At that time, Parliament stated how convinced it was of the necessity for a constant dialogue between the United States and the European Community.

Following this dialogue, a first working discussion took place between a delegation from the House of Representatives and the European Parliament. At the June part-session the Conservative, Liberal and Allies and Christian-Democratic Groups tabled a motion for a resolution,

¹ OJ No C 62 of 31 July 1973.

Fellermaier

which has been discussed by the Political Affairs Committee at several meetings. The result of these discussions is the present motion for a resolution.

The fact that in Paragraph 1 of this motion for a resolution the Political Affairs Committee requests the Council and the Commission of the Communities and the governments of the Member States so to prepare for the consultations with the American President during his autumn visit that the community is enabled to speak with one voice is, ladies and gentlemen, itself an expression of our concern that, to judge by the present status of discussions within the Council and between governments, the Community may not speak with one voice on this important external policy question, that in other words a dialogue between the American President and the Community institutions could be replaced by a dialogue which would take place in various phases and during which the American President would talk to the French government, the German government, the Italian Government, the British Government and perhaps even the Commission. But this is a touchstone for one of the common objectives in external policy: if the Community does not succeed in speaking with one voice on so important a question, there is a danger that the Community's claim to the right to define common external policy objectives will not be supported by the public. The American President, who called 1973 the 'year of Europe' in his statement before Congress, the American President, who is to visit Europe, will be all the more convinced of this political unity of the Western European peoples if the Council can summon up the courage to talk with the American President alongside the Commission.

There are three reasons why the Political Affairs Committee, Mr President, asks the President of this house in Paragraph 2 of the motion for a resolution to consider whether the American President should not be given an opportunity to address the peoples of the Community directly at an open sitting of the European Parliament.

The first reason is that this Parliament, and this should be underlined here and now by the adoption of the motion for a resolution, alone decides who is to be invited to the European Parliament.

The second reason is—and this is why we have worded it in this way—that the people of the Community have a legitimate right to be informed directly of the political intentions of the American President and a statement by the President to the European Parliament would be the most appropriate means of informing the European public as the dialogue at present stands.

The third reason is that our Parliament should be self confident enough to make it clear that even though the Council may find it too difficult to agree whether it can as an institution invite the American President, this Parliament does not have these difficulties. For this reason we appeal to the President of this House to try to establish in a suitable, diplomatic way whether inviting the American President to address the European Parliament during his visit to Europe would be opportune.

The Political Affairs Committee requests, Mr President, that this motion be adopted as a declaration of the will of this Parliament.

(Applause)

President. — I call Mr Giraud, chairman of the Political Affairs Committee.

Mr Giraud. — *(I)* Mr President, ladies and gentlemen, I shall speak in my capacity of chairman of the Political Affairs Committee and, on the instructions of the Chairman of our Group, also express the opinion of the Christian-Democratic Group. First of all, I should like to pay tribute to all the members of the Political Affairs Committee, and particularly to the rapporteur, for having made every possible effort to iron out divergences of detail and to preserve the essence of the resolution. By 'the essence' I mean both the duty (as well as the right) of this House to pronounce on the preparations for the autumn negotiations between the United States of America and Europe, and the urgent need to take up in this matter a clear attitude, and—let me say—an attitude binding not only on the Council but on the Member States, just as the obligation not to defy—particularly within less than a year of the Paris Summit—the solemn injunctions to Community unity and cohesion proclaimed at that meeting should be binding. The rapporteur was right to say in his explanatory statement that even though the present resolution is not concerned with the content of the meeting, its character and level, which seem at first glance to be a purely procedural matter implies—depending on whether Parliament's proposals are accepted or rejected—a completely new political departure in future relations between the United States and the Community, between America and Europe. Paramount to the content of the negotiations is the political solidarity of one of the two negotiating partners, that is the European Community, which would fail, were the Community, not to mark its proper and effective presence—through its institutions, and at their highest level—in the negotiations, as a sovereign and responsible, no less real for not being unitary, partner in determining the future of these relations.

Giraud

To lay such a task upon the Community Council and upon the Governments of Member States at a time when some of these Governments seem to be asking for the postponement of the second stage of the economic and monetary union, may appear unrealistic. But I believe that, on the contrary, it is proof of realism to try to make up for the more or less forced delays in the process of economic and monetary unification by a more vigorous effort of political cooperation spurred by the prospect of this exceptional meeting this autumn.

An eminent colleague of ours, who left the Assembly recently, and whose opinions were always heard with interest and respect, even if not always shared by the majority of the House, put into the final draft of one of his resolutions a paragraph in which we read that 'the strengthening of cooperation should enable the Community to assert its personality, and the Member States to assume a common position, when approaching the major negotiations initiated with the great international partners'.

These are the words of Mr Habib-Deloncle in which he referred to all major negotiations and to which we can subscribe today, because, Mr Fellermaier, they do not substantially differ from the content of the first paragraph of our resolution.

In expectation of the meeting with President Nixon the resolution before us defines the position of the Community and of the Member States in terms of prudence and logical consistency, short of which the Community and the Member States would be defaulting sensationally on the commitments undertaken at the Paris Summit. When the French Foreign Minister, Mr Jobert, hopes, as he did recently in the French Assembly, for the emergence of a clearly defined and approved, common European plan we certainly support him; but with the proviso that in the meanwhile there will be acceptance and application of the principle stated and defined in Paris: that the time has come for Europe to recognize clearly the unity of its interests, the extent of its capacities and the magnitude of its duties. These are the words of the Paris Declaration.

Such a principle, Mr President, if it does not imply that in major negotiations everything should be done through the Community, does nevertheless require the acceptance of the rule that from now on nothing may be done that is foreign to the Community's interests. All the talk that is going on now about bilateralism, as opposed to multilateralism, precisely in connection with these negotiations with the United States, is just so much diplomatic quibbling,

which only disguises a real tendency to avoid Community obligations and takes no account of the fact that one should enter the negotiations not to discuss all the problems at once, but to discuss and resolve them, having first placed them in a general context which had been considered and determined in good time by the appropriate organs of the Community, in agreement, of course, with the Governments of the Member States.

Now it seems to me that the obvious place to define this general political context can only be the Council of Ministers itself, provided that the task is accomplished quickly and at the level of Heads of Governments, in the presence, and with the active participation, of the Commission.

This, Mr President, would constitute a very important precedent and be by no means contrary to the Treaties. We have a Council of Ministers which meets normally in the persons of the Foreign Ministers of the Member States. When agricultural matters are discussed, it is the Ministers of Agriculture who meet, and for financial matters—the Ministers of Finance. But when it is a question of laying down a general political line for negotiations with the United States of America—negotiations undoubtedly involving an overall view, in which individual matters and individual deals should be comprehensively included—it is obvious that only the Heads of Governments acting as the Council of Ministers, can provide the appropriate level for such negotiations.

In other words, we want a Summit, but a summit within, not outside, the Community! And not only that: the Council in the persons of the Heads of Governments will make it possible to lay down the general lines of the preparations for the negotiations and, with the visit of the President of the United States, will provide an appropriate meeting place for the President, at the proper level.

Paragraph 2 of the resolution speaks of the visit by President Nixon to this Parliament, a possibility that was just mentioned by the rapporteur. I can only express the hope that this will happen. I am sure, however, that the Bureau of the Parliament will wish to do everything that is appropriate and necessary to enable us to welcome President Nixon in this House.

May I be allowed in concluding, Mr President, to draw your attention, and that of the rapporteur, to two expressions used in the Italian translation of the draft which do not correspond exactly to the German text of the original. I do not want to make them the subject of an amendment, but simply of a notice to the President.

Giraud

In paragraph 2 of the resolution the Italian version speaks of the 'right' of the people of the Community to be informed. I am told that in the German text the word 'interest' is used, a term which in my view expresses our attitude better.

In the same paragraph in the second line the words 'political aims' occur. In Italian the word 'mire' (aims) is not particularly elegant. It might be well to substitute the expression 'political intentions' with reference to the American President.

It is, of course, a matter of form which, however, in this case—given, particularly, the person and the State round whom the resolution revolves—should, I feel, be observed.

President. — I call Lord Gladwyn on behalf of the Liberal and Allies Group.

Lord Gladwyn. — This resolution was originally put down by the Christian-Democratic, European Conservative and Liberal and Allies Groups. Consequently, I rise to support it. I can only agree wholeheartedly with what the Chairman of the Political Affairs Committee said about the general desirability and, more especially, the emphasis which has once again been put on the necessity on all such occasions, if possible, of the Community speaking with one voice. Whether the President of the United States, when he comes, will be able to meet the assembled Heads of State or Government acting as a body, I do not know. We can only hope so. As far as Parliament is concerned, we can only express the pious and urgent hope that this may be the case.

My only observations, which I put forward tentatively, relate to the second paragraph which, as it seemed to me in committee, is a little sybil-line and possibly open to a slight misconstruction. The wording says that the people of the Community should therefore consider whether a statement by the President at an open sitting of the European Parliament, in the presence of the Commission and the Council, would be an appropriate means to this end. Surely, if it wished to do so, Parliament could decide here and now whether it is appropriate. If we say that we are going to consider whether it will be appropriate, we are perhaps open to the slight criticism that in certain circumstances we might consider it to be inappropriate. I do not see that is possible. In committee there were hardly any objections to the idea that if possible the President should address this Assembly. There was almost unanimity on that point. I can see no objection to saying so. If it were

possible for the President to address the Assembly it would undoubtedly add to the prestige of Parliament to an enormous degree. It could be a great occasion on which the President might be able to make some historic pronouncement. Even if he were not able to do so, and even if he said that he could not come, we should be no worse off, for having asked. Of course, I hope that he would come.

The only difficulty is whether the President will find it possible to accept our invitation. As I understand it, the present wording is in the nature of holding the fort until it can be ascertained by informal talks, conducted I suppose by our President, whether the President of the United States will be able to accept. If that is so, we cannot, of course, in the resolution actually invite him, but we might have gone as far as to say that Parliament expressed the hope that the President would find it possible to address Parliament in the presence of the Commission and the Council. If that is what we want, surely there is something to be said for saying so. The present wording seems to me to be a little grudging. Of course, I voted for it in committee and I would vote for it now, but if, on reflection, the rapporteur and the President see any merit in my suggested alternative wording—perhaps they do not, but I hope they do—I shall be very grateful.

In general, we support this resolution from the point of view of the Liberal and Allies Group and I very much hope that it will be accepted.
(*Applause*)

President. — Before calling Sir Tufton Beamish, I should like to emphasize again that it was decided this morning that spokesmen on behalf of political groups should have ten minutes for their speeches and that other speakers should have five minutes.

I call Sir Tufton Beamish on behalf of the European Conservative Group.

Sir Tufton Beamish. — I wish in the next two minutes to make it absolutely clear that the European Conservative Group fully supports this motion for a resolution which Mr Fellermaier has presented so clearly. It will not go unremarked that this motion for a resolution was tabled by the Christian-Democratic Group, the European Conservative Group and the Liberal and Allies Group and that the rapporteur himself is a distinguished and leading Social Democrat who was no doubt speaking for his group as well as being rapporteur.

We in the European Conservative Group are convinced that it is absolutely essential and

Beamish

in the best interests of the free world as a whole that the Community, speaking with one political voice, should seek to solve all outstanding problems with the United States in a spirit of real understanding and genuine partnership. Of course this will not be at all easy, but we are certain it can be done.

We should remind ourselves that successive American Administrations have sought to further European unity in every possible way, starting perhaps with Marshall Aid which can best be described as the birth certificate of European unity.

As we see it, it is therefore now up to us in the European Conservative Group to show that sense of responsibility and unity which are the vital features of our approach to world problems and to relations with the United States.

President. — I call Mr Ansart.

Mr Ansart. — (*F*) Ladies and gentlemen, I am taking part in a debate in this Assembly for the first time following my recent election to the European Parliament with two of my Communist comrades of the French National Assembly. May I express our satisfaction at the lifting of the anti-Communist ban which had hitherto barred us from European assemblies.

I am deeply grateful to my Italian comrades for having helped us in our election to this Parliament with such constancy and fidelity:

Our satisfaction would be much greater if the Assembly decided to amend its Rules of Procedure so as to make it possible to form a Communist group with Italian comrades and some allies.

Ladies and Gentlemen, Yesterday a Conference opened in Helsinki whose historic character and importance for peace have not escaped the peoples of Europe, for whom the establishment of a lasting peace, after so much bereavement and suffering, is of paramount importance.

Détente is moving ahead. Today, it is possible to proceed from the new situation created by the agreement between the Soviet Union and the United States, by the treaties concluded by Chancellor Brandt with the Soviet Union and Poland, by the signature of the basic Treaty between the Federal Republic of Germany and the German Democratic Republic, by the Agreement signed on 22 June 1973 by Mr Leonid Breznev and Richard Nixon on the prevention of nuclear wars, and to establish real security on our continent.

For our own part, we shall unreservedly support here anything that is likely to forward this new

evolution. While the idea of peace, concord and détente is pushing back the cold war, there are some, uneasy about such progress, who are reviving the old proposal of a European defence based on nuclear weapons. We did not fight nineteen years ago alongside our country's patriots against the European defence community only to approve it today.

Similarly, we cannot endorse the surrender of national sovereignties in favour of a supra-national authority and we will not accept attempts at political integration aimed at accentuating the trend already observed towards atlantism. Our frank criticism of the Community, none of which we withdraw, has never been aimed against an organisation of Europe.

We are aware of the needs of our age. The growing internationalisation of economic life, increased international division of labour, progress, the application of science and production techniques, the scale of the resources needed to realise large modern industrial projects, these are all factors which make it imperative for each country not to give itself up to autarchy, but this does not mean that we should abandon our national independence. On the contrary, we consider that national independence and co-operation with other nations are not contradictory, but rather supplementary, notions.

It is a fact that the European Economic Community is dominated by the great financial and multinational companies.

What we therefore have to do, in our opinion, is to give it a new economic and social content, one that serves the interests of the whole mass of European workers who have the same fundamental interests. The fifteen years the Common Market has been in existence attest to a reality. Thirty-five multinational groups dominate economic life in Europe and, hitherto, European unity, that is to say, the unification of the market, the simplification of production mechanisms, has exclusively benefited the great multinational companies.

We therefore intend to fight against the technocratic character of Common Market institutions.

We consider it essential to withdraw from the Council of Ministers and the European Communities Commission the exorbitant powers they possess and which make them an omnipotent super board of directors of West European financial capital.

Our activity within the European Parliament is inseparable from our campaign in France based on the joint programme of the Communists, Socialists and Left-Wing Radicals for a new

Ansart

democracy paving the way to socialism. In concert with the democratic forces which are carrying on the fight in their various countries, these forces, in France, now find themselves faced with three great common tasks: that of leading Western Europe towards a democratic Community, that of making the specific and decisive contribution of the workers to the construction of a peoples' Europe, and that of expanding social progress and socialism.

We are witnessing today the collapse of the monetary system established by the capitalist countries after the Second World War. Currencies are sick, but that is because regimes are sick. That old scourge, unemployment, which was said to have gone for good, is again bringing misery to millions of people; price increases and inflation are common to every country in Europe. Unemployment, price increases and inflation are the three great threats to the standard of living.

Not a week passes without some reference in an official speech in France or elsewhere to progress which is occasionally prodigious and to the growth of production and productivity. But of what use is progress if the result is unguaranteed employment, if worker, employee and cadre are subject to the whims of management and to the uncertainties of an anarchic and blind development? Of what use to millions of people are growth and economic expansion, if these people cannot enjoy leisure and rest, if man cannot develop himself and benefit from the enormous possibilities offered by the age we live in?

All trade union organisations agreed about the complete lack of a social policy at Community level. Despite pledges made by the nine states at the October 1972 'summit' in Paris, we do not seem to be moving toward concrete decisions in this sphere—witness the cancellation of the quadripartite Social Conference which was to have been held last week in Luxembourg. As far as social matters are concerned, we are still at the stage of 'the Europe of intentions'.

If the demands of democracy are to be met, trade union organisations must give representation, with real rights, on Community organisations. Workers' representatives must be able, as all trade union organisations in the countries concerned demand, to set forth and defend the major demands born of our modern era, whether they be the certainty of employment in one's native country, the assurance of shorter hours and better conditions in the workplace and in life or protection against incessant price increases through a sliding scale.

Immigrants must be quite sure that they will be treated with dignity, justice and liberty, guaranteed by law. Finally, political and trade union freedoms, which are often attacked, must be respected and extended. Action in favour of liberty is all the more necessary because of the continued existence of fascist regimes in capitalist Europe and because certain governments attempt to resolve their difficulties with their peoples through increased authoritarianism.

We shall also defend the call for harmonisation of social legislations at the most favourable level.

Mr Nixon has been unable to reduce unemployment in the United States. It can be said of the 'Nixon Round' that it is aimed, among other things, at giving 'a stimulus' to foreign markets in order to improve the employment situation at home; it is directed towards exporting to United States competitors not only American products, both agricultural and non-agricultural, but also American unemployment, and to increasing political pressures and blackmail to make them maintain the common military defence and the expenditure involved. Faced with this situation they have created, which is the result of the capitalist system and its contradictions, some dream of a holy alliance which would intimately associate the few great financial and multinational companies with the millions of workers they now enslave. The workers' movement has suffered, too much in the past from aberrations such as these, not to have learned a lot from them.

These workers are fighting and will go on fighting, for their own good and for their own interests, which are inseparable from their countries' interests.

A political figure who has played an important role in the affairs of community organisations expressed regret in a statement he made last year to a magazine that the work of the European institutions has been carried out in a vacuum, without the cooperation and support of public opinion, adding . . . 'in fourteen years, we have not been able to inspire a real popular movement in favour of Europe'.

If Europe does not enjoy popular support, it is because its peoples do not identify themselves with the aims and objectives of the Community. A workers' Europe will be one built by the workers themselves, without any need for delegation.

These, ladies and gentlemen, are our ideas of a real Europe and the broad lines of action we intend to pursue in this Assembly.

(Applause)

President. — Thank you, Mr Ansart, for your maiden speech.

Mr Kaspereit. — (*F*) On a point of order, Mr President.

President. — I call Mr Kaspereit.

Mr Kaspereit. — (*F*) Mr President, I am rather at a loss—indeed I hardly know what day it is—for, looking at the agenda, I see that we are now supposed to be discussing the report prepared on behalf of the Political Affairs Committee on a motion for a resolution tabled by three colleagues.

Now, I have just heard a speaker discussing a completely different subject from the one entered on the agenda.

This seems to me to be in contradiction with Rule 30 (2) of our Rules of Procedure, which states, inter alia, that if a speaker departs from the subject under discussion, the President shall call him to order.

I did not hear such a call, and I should like a little enlightenment on the conduct of this sitting.

President. — Thank you very much for your intervention, but as President I felt that I should give a little latitude to a Member who was speaking for the first time. I shall not give latitude to others, and, in asking Mr Schwabe to speak, I express the hope that he will keep to his five minutes. Mr Schwabe can be as controversial as he pleases.

I call Mr Schwabe.

Mr Schwabe. — (*D*) Thank you very much Mr President. In the first place I should like to point out that this is not my maiden speech, and that I should like to make a few comments on my own initiative. I must say I had thought that French clocks worked according to some different principle, but I now realize that you hit upon a gracious solution.

I, too, must open my address with the customary introductory formula: my sincere congratulations to the rapporteur for his excellent presentation of the subject matter. I particularly commend him for the last sentence, which at least raises the question whether the President of the United States ought perhaps to be invited here, whether this was feasible, and whether it was or might be appropriate. Since I believe that an upright man ought always to acknowledge his offspring, I must explain that immediately I heard Dr Kissinger's speech—incidentally, Dr

Kissinger is someone whom I came to know a few weeks after the end of the war in my own country, when he was making his political debut, and I have followed his career with great interest ever since—and the announcement of President Nixon's visit I discussed the question with a number of colleagues in my own and other political groups, and eventually put forward the proposal, both verbally and in writing.

Why did I do so? I was reminded of my earlier initiatives when President Kennedy was in Germany. At that time, I proposed that he should address the Parliament. This could not be arranged directly, but he did speak in the old German parliament, Paulskirche, his audience including half of the delegates to the Bundestag. I then made the same proposal on the occasion of President Nixon's visit, a proposal which was accepted and for which I was subsequently thanked. This is the background to my earlier efforts.

Why is the same wish being expressed here today? Surely it is because our Parliament is the true centre of Parliamentary democracy in united Europe, in the European Community. We are often aggrieved when we look at countries, be it to the left or to the right, in which democracy does not work, in which parliaments do not work. Here they do work. Moreover, I feel that the American President and the public at large would be impressed by the extreme modesty of the accommodation in which the European Parliament conducts its affairs. This is Europe! One might perhaps adapt an old Latin saying to the present circumstances: *hic Europa—hic salta*.

It might also be worth pointing out to those who often feel that they do not have sufficient independence because they are not elected by direct suffrage that they should not keep on harping on this so much. They would do well to consider that in my own country the President of the Federal Republic and the Chancellor, like the representatives of the European Parliament, are elected indirectly by the elected representatives of the people: in my view this is legitimation enough.

In the talks and preparations we have had so far, considerable attention has been given to the question of whether and to what extent we were to become dependent on one or other, more or less menacing, economic power. Today, the 4th of July, the Americans celebrate their Independence Day. They know the meaning of independence, and will readily understand that we who sit here in the name of parliamentary freedom and democracy want no dependence, but peaceful cooperation in social and economic

Schwabe

policies, so as to build a better Europe. However, no one could make this point more forcefully and effectively than yourself, Mr President.

President. — I call Mr Patijn on behalf of the Socialist Group. Ten minutes, not more.

Mr Patijn. — (NL) Mr President, after the introduction given by the fellow-member of my Group, Mr Fellermaier, as rapporteur, I shall not need to speak for ten minutes, I should just like to make a few minor observations.

In the recitals to the resolution, mention was made of a new approach to relations between the United States and the European Community 'in the spirit of a true partnership'. In the Political Affairs Committee the Socialists asked for a vote to be taken on the inclusion of these words in the recital and then voted against their inclusion. This is because we do not know at the moment what ought to be understood by the word 'partnership' no to mention the words 'in the spirit of a true partnership'. Should the word 'partnership' make us think of the Atlantic partnership within the framework of NATO? Or is it something else, such as the partnership during the time of President Kennedy? As we do not know and no one could enlighten us as to what this word meant, we were against this passage in the resolution.

I think it rather a pity that we should expect so much publicity for this Parliament from President Nixon's forthcoming visit. I, too, am new in this Parliament, though I did make my maiden speech yesterday. When it comes to getting publicity, however, I do wonder whether we should rely on guest speakers. We will of course get publicity when the American President comes here. I do wonder, however, whether we should be satisfied with that. There are more important matters on the agenda, such as the strengthening of our budgetary and legislative powers. We believe this to be necessary for a proper process of decision-making in the Community.

I repeat, we are not against this resolution; quite the contrary. I took part as a Socialist in the discussions within the Political Affairs Committee. We are full of euphoria at the thought of the coming visit of President Nixon to the European Parliament. We shall vote for the motion for a resolution, while bearing in mind the observations I have made.

President. — I call Sir Christopher Soames, Vice-President of the Commission.

Sir Christopher Soames. — Mr President, it is the custom in the British Parliament, where I

spent a number of years, to congratulate a maiden speaker. It is also the custom that a maiden speech is not too controversial. I congratulate the honourable Member on having made a maiden speech, but I disagreed with almost every word of it, I found it very controversial.

The honourable Member said that he regarded the multilateral trade negotiations as a means for the United States to export their unemployment. I wonder whether this is the motivation for these trade negotiations — which are held to be necessary throughout the whole of the industrialized world — any more than the important trade agreement the United States signed with the USSR only the other day is a means to export their unemployment to Russia. I would not have thought so. However, I will not deal with all the points made by the honourable Member since to do so would take up too much time.

The motivation behind the debate which is hung onto the peg of a resolution introduced with great dexterity and preciseness by Mr Fellermaier is a feeling of anxiety as the extent to which Europe is speaking with one voice on the United States of America. The questions arising out of the possible visit of President Nixon are the outward and visible sign of this anxiety.

There are areas in which Europe speaks with one voice. Before lunch we were discussing the multilateral trade negotiations where Europe does and will speak with one voice. It is our hope and belief that we shall speak with one voice when it comes to monetary and energy matters, which are two of the more vital aspects of European-American relations.

But is this enough? What about the politics of it all? To what extent will Europe in the future be able to speak with one voice with the United States, be it on Heads of State level or Heads of Government level on any other level further down?

I must say as one who has a responsibility in this matter — in as much as I do not believe it is possible to put all these matters in watertight compartments and still have a fully fledged relationship between one entity and another, between one community and the United States — that I feel and share the anxiety I felt coming up from these benches in the debate.

How shall we get over this? What has struck me, the feeling I have had in the few months I have had the responsibilities that have been placed on me, is that — different countries tend to think in terms of European-American relations

Soames

as an extension of their countries' relationship with the United States. I suppose this is natural. Why do I say this is natural? It is because those who are in positions of responsibility, be they officials or be they men in politics, have been brought up all their lives to think in these terms. A number of precedents, a whole area of precedents and habit has been built up in, for instance, Anglo-American, Franco-American, German-American, Luxembourg-American relationships, indeed, the relations with America of any country one likes to name.

It is in this way and with these blinkers on that each country tends to think of European-American relations as an extension of its own. But of course this is not so. It is something quite different.

Here is this enlarged Europe, only but a few months old, which must find its place in the world with all its strength, with all its power, with all its potential. What should be the pattern of European-American relations? It should certainly not be an extension of the pattern of relations between any one Member State and the United States. It is something quite different which we have to find for ourselves. We have all to find it for ourselves.

All Members of the European Parliament must think about what it should be. They must instruct their governments and they must bring pressure to bear in their own countries to ensure that their governments change their feeling and direction in this regard and think about the matter in European terms, for only thus shall we arrive at what is in the European interest. We should think of European-American, European-Indonesian or European-any other country one chooses to name relations. We have something new and we have to build on this.

I feel this very much as there are 100 or so ambassadors in Brussels accredited to the EEC. They come along and say, 'Where are we with this new being, this new animal which has been, as it were, parachuted upon us doing 40 per cent of world trade? As yet we have no precedent on which to work and we have to develop gradually over a period of time our own pattern of relationship with Europe'. We as Europe have to produce our own pattern of relationship towards every country of the outside world in what is in the European interest. These are the terms in which we have to think.

As to the specific issue of European-American relations, we have been instructed by the summit to open up a continuing dialogue. We have done so. There have been many dialogues of a bilateral nature as between individual Member States, on the one hand, and the United States

Government on the other. But they have not been Community dialogues.

What Community dialogues have there been? The Commission has done its best in terms of energy. Mr Simonet has been over there and talked energy policy — to the extent that we have an energy policy to talk about. (But we are not the only ones in that respect; perhaps the United States has not one either. We are therefore perhaps both in the same position. Both of us must achieve one.) I have been there to talk about trade. I was very kindly received. Trade was my mission; that what I was there to talk about. Those who talk on behalf of the American Administration have been here twice. We have a good dialogue going. I should like to think that there is less shouting across the Atlantic today than there was some months ago and that there is a greater understanding of our problems and the extent to which our common interests should dominate the differences which divide us.

But that is not enough. I have long since learned, as all those who have been on the European circuit for some time have learned, that we can not expect miracles, nor anything to happen too quickly. We should bear in mind that it is not a question of institutions or of whether this is a Community matter or a matter on which individual Member States should get together. That is of secondary importance. What really matters is that either through a single voice or, if that is not agreeable, through a number of voices speaking the same language and giving the same message, a European message should go out from this great continent to other continents. We must work towards that.

As to what the Community reaction should be and to what extent the Community should get together to receive President Nixon, I cannot do better — perhaps alas — than to quote what I said in this House last May. I stated; 'President Nixon's intention to visit Europe before the end of the year to meet both with our Member States and with our Community as such is something we should all welcome. What form these meetings may take is a question to which I am in no position to give an answer to this House today'.

What matters is that the meetings, when they occur, should be substantial, beneficial to the world, forward-looking, constructive and fruitful. For its part, the Commission will do all it can to make them so. I earnestly hope that Members of this Parliament will do all they can to ensure that their governments pursue the same line.

(Loud Applause)

President. — Thank you very much, Sir Christopher, for that inspiring address. I call Mr Ansart.

Mr Ansart. — (F) May I say a few words in reply to Sir Christopher Soames, Mr President?

President. — No. I gave you a great deal of latitude, Mr Ansart, in permitting you to make your controversial speech. Although we welcome you as a new Member, I think that you somewhat exceeded the usual custom, and I ask you to allow me to call the rapporteur.

I call Mr Fellermaier.

Mr Fellermaier, rapporteur. — (D) Mr President ladies and gentlemen, in the first place I should like to commend our new Communist colleague on his maiden speech, not because of the content but on account of his brilliant rhetoric. As far as the substance of his address is concerned, we could profitably spend the entire afternoon debating it with him. However, I do not doubt that there will be ample opportunity in the future to get to grips with some of the controversial subjects touched upon in Mr Ansart's maiden speech, in contexts more appropriate than this motion for a resolution, a subject on which the Communist spokesman remained silent.

Ladies and gentlemen, the Commissioner responsible for external relations spoke with passion and ardour here today. May we express the hope, Sir Christopher, that you will display the same passion, same ardour, and the same dedication—and I am sure you do so—in persuading the Council that it will bear a heavy burden of responsibility to the European public at large if it fails to seize the opportunity of speaking with one voice on this important world issue. How are we to explain the fact that the Community has found it possible to speak as a Community at the Helsinki Conference, whereas the scraps of information so far emerging from the Council's closed doors lead us to fear that there is no agreement on the form of the external policy dialogue with the American President.

As the spokesmen for all the political groups and the Commission have emphasized, today's debate may be described as a reminder to the Council that it must in the near future, indeed in the very near future, make up its mind on the form which the American President's visit in the autumn is to assume.

Lord Gladwyn raised the possibility of the rapporteur finding an alternative wording to the second paragraph of the resolution. The rapporteur feels that, after carefully weighing every

single sentence in the course of two meetings of the Political Affairs Committee, in which you, Lord Gladwyn, also took an active part, it would at this time be unwise to attempt to revise this paragraph. I think that it is now well balanced, since it leaves open two possibilities: firstly, contacts can be established with the American administration through diplomatic channels; secondly, the President of the European Parliament could enter into talks with the Presidents of the Council and Commission. It is for these reasons, Lord Gladwyn, that I do not feel able to accept your suggestion.

In response to the comment made by the chairman of the Political Affairs Committee, Mr Giraud, who was also speaking on behalf of the Christian-Democratic Group, I would suggest that checking of the translation to establish whether the text should read 'legitimate right' or 'legitimate interest' is not a matter of any political consequence. All that is needed is that the translation should be re-examined in order to make sure that the original German is not distorted in the Italian.

Mr Patijn from my group warned against an excess of euphoria and pointed out that Parliament had to secure a wider hearing on other issues, too. I do not believe, Mr Patijn, that the one excludes the other. Only in the matter of the recasting of relations with the United States of America is Parliament called upon to initiate and follow through action to ensure that we do not merely end up with a verbal dialogue but that the dialogue is based on a common determination on the part of the United States of America and the Member States of the European Community to resolve all problems and stresses that may arise between us and the USA in the future in a manner befitting friends fully aware of their mutual dependence upon each other.

I would ask you to support the motion for a resolution.

(Applause)

President. — Does anyone else wish to speak? I put the motion for a resolution to the vote.

The resolution is adopted.¹

14. Membership of committees

President. — I have received a request from the Christian-Democratic Group for the following appointments:

¹ OJ C 62 of 31. 7. 1973.

President

— Mr Creed to the Committee on Public Health and the Environment;

— Mr Scholten to the Committee on Economic and Monetary Affairs and the Committee on External Economic Relations.

Are there any objections?

The appointments are ratified.

15. *Recommendations of the Joint Committee of the Association with Turkey*

President. — The next item is a debate on the report drawn up by Sir Tufton Beamish on behalf of the Committee on External Trade Relations on the recommendations of the Joint Committee of the Association with Turkey on the Eighth Annual Report of the EEC-Turkey Association Council adopted in Luxembourg on 14 May 1973 (Doc. 125/73).

I call Sir Tufton Beamish, who has asked to present his report.

Sir Tufton Beamish, rapporteur. — The report which I have the honour to introduce is largely self-explanatory and not, I think, controversial. Therefore, I do not propose to make a long discourse upon it, though that should not be taken as meaning that I am not well aware of the importance of our Association with Turkey — something on which the Turkish Government and the Community place very great value. I should like therefore simply to highlight a few points.

First, I will deal with recent developments. On 1 January this year the Additional Protocol came into force, although its trade arrangements have in fact been effective since 1 September 1971 under an interim agreement. The Additional Protocol lasts for 12 years and lays down the terms and conditions and the timetable for the second, or transitional, phase of the association between the EEC and Turkey. The second Financial Protocol also came into effect on 1 January. Recently, negotiations have been successfully concluded on the Supplementary Protocol which adapted the Association to take account of the enlargement of the Community. This Protocol was signed on 30 June, having been discussed in the Committee on External Economic Relations under the Luns procedure last week in the presence of the Commission.

Since then, there have been further developments, with which I am not fully au fait and about which Sir Christopher can no doubt inform us if he feels it appropriate to do so. These are matters arising out of the meeting of the Council

of Ministers on 30 June of which I have seen only a short press report.

One of Turkey's main problems has been her chronic trade deficit. It is heartening to note that last year Turkey's exports to the Community rose by over 30 per cent from \$ 266.6 million to \$ 347 million and that her exports to the rest of the world rose by over 31 per cent from \$ 410 million to \$ 538 million. These rates of increase represent a great improvement on the previous year when exports also rose steeply. But imports have been rising even faster. Imports from the Community rose by over 40 per cent in 1971 and by over 43 per cent last year, and imports from the rest of the world also increased, leaving Turkey with a deficit of \$ 678 million. This was largely offset, however, by invisible earnings of more than \$ 600 million. But these consisted very largely of remittances from Turkish emigrants, mostly in the Community, and cannot be regarded, I think the House will agree, as a healthy, long-term solution to Turkey's balance of trade problem.

May I say a few words about emigrant workers. Their problems have been discussed frequently both here and in the Joint Parliamentary Committee. There are, I believe, over 600 000 of them in Community countries. I should like to draw attention to the fact that since 1 January, with the coming into effect of the Additional Protocol, the Association Council has been empowered to take specific decisions in this field and to work out, at ministerial level, a coordinated system of measures to deal with such problems as the free movement of Turkish workers, their conditions of employment and payment, their social security and so on.

We urge them to get on with this as quickly as possible.

I should like to take this opportunity, as it seems to fit in here, of welcoming the amendment that Mr Bertrand will be moving to paragraph 12 and to say right away that it is entirely acceptable to me as rapporteur and completely within the spirit of what we are trying to achieve. Incidentally, I should add in parentheses that it is a matter of regret that the Additional Protocol makes no mention of vocational training, which is of great importance. We shall be discussing the question of emigrant workers at our next meeting in Istanbul when we hope to consider the problem in the presence of experts from both the Turkish Government and the Community.

I should like next to turn equally briefly to financial questions. Most of the 43 projects undertaken under the 1963 Financial Protocol

Beamish

are already in operation or at the commissioning stage. Preparatory work on further projects has been going on during the last two or three years in anticipation of the second Financial Protocol, which has now come into force. As a result, six loan projects, with a total value of 70 million units of account, are now ready for financing in 1973. I hope that it will be possible this year to make arrangements for the use of the remainder of the 195 million units of account provided for in the second Financial Protocol. Furthermore, there is a possibility of another 25 million units of account being made available from the European Investment Bank.

Perhaps I should point out that the enlargement of the Community will permit a substantial increase in the overall financial aid to Turkey by as much as 47 million units of account, though this is subject to ratification in the three new member countries.

I turn next to generalized preferences, about which there are very strong feelings in Turkey. On many occasions, Turkey, still heavily dependent on agriculture to sustain her economy, has expressed a wish to be included in the list of developing countries which are granted generalized preferences by the Community. This wish has always been supported by our delegation to the Joint Committee, by the Committee on External Economic Relations and, indeed, by Parliament itself. Furthermore, it has had the strong support of the Commission, and it continues to have that support. But, despite this formidable alliance, the Council of Ministers has not seen fit to take the action requested, though I do not know why.

Although the terms granted to Turkey under the existing agreement are quite generous for many commodities, Turkey considers that such a gesture on the part of the Community would encourage other industrial countries which allow such preferences to add her to the list of recipients. I understand that the new Additional Protocol continues the previous *ad hoc* arrangements and extends them to the three new Member States. I should like to make it absolutely clear under this heading that Turkey is still far from satisfied by the attitude of the Council of Ministers.

Lastly, I should like to mention the institutional functioning of the Association. This has been notably successful. One small, but I think important, step forward is that the Commission has agreed to set up a Community press and information office in Turkey, which is due to be opened in the autumn. That has been very much welcomed. Indeed, it was overdue.

On the parliamentary level, we had a successful, frank and friendly meeting of the Joint Committee in May under the competent chairmanship of Mr Fellermaier. We are looking forward to our next session in Istanbul in September when some of us will also be paying a visit to Izmir during the trade fair there on the day that has been set aside as Europe Day. I am told that possibly Mr Scarascia Mugnozza may be attending on that occasion. I see Sir Christopher Soames indicating assent. I am sure we are all glad about that.

We welcome the proposals for increasing parliamentary contacts between Turkey and the Community which were adopted by the enlarged Bureau on 14 February 1973 and hope that they will be put fully into effect. Those recommendations are incorporated in Document PE 33.012 of 26 April.

The ties between Turkey and the Member States of the Community are not confined to trade arrangements. They have considerable political significance as well. We wish to encourage parliamentary contacts so that we can inform ourselves of Turkish opinions on a wide range of subjects, economic and political, and keep Turkey, through her government and parliament, in touch with the Community's point of view.

I am sure that you, Mr President, will agree that nothing but good can come from improving communications between us in this way.

It is perhaps a good augury that, as an indication of the closeness of relations between the Community and Turkey, we are sweltering today in typical Turkish summer weather.

(Applause)

President. — I now call Mr Adams, draftsman of the opinion of the Committee on Social Affairs and Employment.

Mr Adams. — *(D)* Mr President, ladies and gentlemen, the recommendations of the EEC-Turkey Joint Parliamentary Committee adopted in Luxembourg on 14 May were referred to the Committee on Social Affairs and Employment for its opinion.

Unfortunately, we were unable to discuss this subject until 26 June, in other words last week, and it is for this reason that no written opinion has been laid before you. The committee has instructed me to present the opinion verbally now.

The Social Affairs Committee attaches particular importance to Recommendation No 3 on the 8th Annual Report of the Association

Adams

Council; paragraphs 9, 10 and 11 of this recommendation deal with the problem of Turkish workers employed in Community countries. The same problems have already been dealt with in similar terms in earlier recommendations and have been commented upon by the previous committee. I shall not waste your time by going over this ground again.

The Association Agreement includes provisions relating to the free movement of workers and to social security for migrant workers.

On 23 November 1970 an Additional Protocol was signed which stipulated that free movement of workers was to be gradually put into effect during a transitional period. The process will begin in 1976, complete freedom of movement being achieved by 1986; in other words the transitional period will run from the end of the 12th to the 22nd year after the Association Agreement came into effect.

Responsibility for laying down the necessary rules rests with the Association Council, pursuant to Article 76 of the Additional Protocol. According to Article 37 of this protocol, every Member State will undertake to introduce regulations on working conditions and pay for Turkish workers with no discrimination in comparison with workers who are citizens of other Member States.

According to Article 38 the Association Council may, until the progressive introduction of the free movement of workers, consider all questions relating to the movement of Turkish workers, both geographically and from one occupation to another, in particular extension of the validity of work and residence permits, so as to facilitate employment for these workers in every Member State.

Furthermore, Article 39 stipulates that by the end of the first year after the Additional Protocol enters into force, the Association Council will put through social security provisions applicable to Turkish workers, enabling them to aggregate the insurance and employment periods served in individual member States for the purpose of retirement, dependants' and invalidity pensions and sickness benefits for the worker himself and for any of his family who may be resident in the Community.

Bilateral agreements containing more favourable provisions will remain in force, however, in which context we should be clear in our minds that the problems of migrant workers can only find a permanent solution on a European basis.

Finally the Association Council may put forward a recommendation to the Member States and

the Turkish Government to promote the exchange of young workers.

The Additional Protocol also provides for the progressive removal of restrictions on the freedom of establishment and freedom to provide services.

Detailed discussions on the social issues dealt with in the Additional Protocol were held on 18 March 1971 in Bursa. Recommendation No 2 adopted there in my view provides a clear overall picture of the problems to be overcome then, and in some cases still with us today. One of the most difficult issues at that time was the question of illegal Turkish immigrant workers in the Community. The 7th Annual Report of the Association Council touches on this problem of illegal immigration in paragraph 33.

'Although at the moment labour problems are still being settled within the framework of bilateral relations between Turkey and the Member States, so that the Association Council is not yet in a position to take decisions in this area, the ministers of the countries most affected by this problem.'

in other words my own country, Germany, and to a lesser extent the Netherlands,

'attending the meeting of the Association Council in April and July exchanged details on the evolution of the situation, especially with regard to the illegal immigration of workers into the Community'.

The declaration of the Turkish delegation to the meeting of the Association Council in July 1971 was thus welcomed by all the delegations. It was in fact as a result of this declaration that the situation of these workers gradually began to improve as both the Turkish authorities and the authorities in the worst affected Member States took appropriate measures.

I consider it remarkable that the 8th Annual Report, on which Recommendation No 3 of 14 May 1973 is based, devotes not a single word to problems associated with Turkish workers employed in the Community. Sir Tufton Beamish, to whom I should like to express my thanks and admiration for his splendid report, also regrets that these problems were not mentioned in the 8th Annual Report. The motion for a resolution also points out that since 1 January 1973 the Association Council has been empowered to take specific decisions in this field. Attention is also called to the desirability for the Association Council to help to work out, at ministerial level, a coordinated system of measures for dealing with the problems of Turkish workers.

Adams

At its meeting last week, the Committee on Social Affairs and Employment decided to move an amendment to this paragraph of the motion for a resolution. Emphasis should be given to the fact that, pursuant to Article 39 of the Additional Protocol, the Association Council is obliged to put through measures in the field of social security for Turkish workers by the end of 1973. Accordingly, an amendment has been tabled, Mr President, and I ask for its adoption.

In conclusion, Mr President, I should like to express not only in my own name, but no doubt also on behalf of all the members of this House, our most sincere thanks to immigrant workers, and in this instance especially Turkish immigrant workers, for their contribution to the prosperity of us all and to that of the Community as a whole. Foreign workers should know that we have them and their social needs very much at heart.

(Applause)

President. — I ask all speakers to be as brief as possible.

I call Mr Baas on behalf of the Liberal and Allies Group.

Mr Baas. — *(NL)* Mr President, I too should like to begin with a word of thanks and appreciation for Sir Tufton Beamish's report. His task was not a simple one. The Association has existed for a number of years now and it is perhaps only possible for representatives of countries that have for years had important international connections to gauge the atmosphere in which the talks take place. On that point I compliment Sir Tufton Beamish very highly.

The circumstance that we shall be meeting again in September with the Turkish delegation is due to the fact that elections are being held in Turkey at the end of this year. Those elections are of course very important for us too. We have political, economic and cultural ties with Turkey. We fervently hope that the state of emergency now prevailing in two provinces will have been terminated by that time and that it will be possible for free elections to be held in Turkey at the end of 1973.

We had the opportunity of speaking with our Turkish friends about the concept of tolerance, the tolerance one has to have towards other people's views or ideas subscribed to by other groups.

We have also had to learn this within our Community. We must learn tolerance particularly in the situation in which we now find ourselves vis-a-vis Turkey. We hope that Turkey will par-

ticipate in the cooperation and will also become a Member of the European Community.

It is possible in a friendly atmosphere to discuss problems that are extremely difficult. We did so, under the leadership of Mr Bertrand, in a situation where the atmosphere was indeed tense. We shall hold consultations again in a few weeks' time, when the subject will be the problems relating to Turkish foreign workers. Our colleague Mr Adams has already drawn attention to this matter. I think it is a good thing that our ties with Turkey are at the moment such that we can bring up very difficult questions. They are questions with a human background such as should indeed concern us.

In the final analysis it is not only a question of our well-being and prosperity but also that of the people in Turkey with whom we are linked. We must not only ask what the Member States are doing in the social field for Turkish foreign workers and what they are doing for the children of Turkish foreign workers, but also what the European Community is doing. We should greatly appreciate it if the European Community would make it clear to us in Istanbul in September what it is doing.

We are of course extremely interested in what the Member States are doing. What is Germany doing for instance, the country with the greatest number of Turkish foreign workers? We are also curious to know what Belgium and the Netherlands are doing. But above all we would like to know what the Community is doing. In France, too, foreign workers are helping to improve the country's economic situation and they should be given their due place within the population.

I have an idea that it is a good thing that we should be speaking to each other again in September. If the economic situation or the employment situation in Member States takes an unfavourable turn, you very quickly hear it said that the number of foreign workers should be reduced. However, we have to realize what tremendous consequences this can have for the people and the balance of payments of a country such as Turkey.

Sir Tufton has already said something about the supplementary protocol and the agreement that was reached. I think I ought to repeat what I have already stated in the Commission, namely that we regret that it did not prove possible in the negotiations to find a solution to the problem of agriculture and the complex of problems relating to agricultural produce. A satisfactory solution must be found for exports of agricultural produce from Turkey to the Community in the same atmosphere that we discussed this morning relations with other countries.

Baas

In a few months' time the new bridge over the Dardanelles will be opened. That bridge is a symbol of the attachment of that part of Asia to Europe. There will shortly be better communications in that part of the world than there are there in the West with England. We hope that the opening of the bridge over the Dardanelles will not only be visible evidence of a better connection but also of a link with Western Europe. We have high expectations of that link. It is not only a question of the Dardanelles bridge but of Turkey's place within the complex of Europe and Asia. It forms a bridge between the Mediterranean area and Russia. It occupies a central position. The Committee on External Economic Relations hopes, under the leadership of our distinguished chairman Mr Fellermaier, to succeed in strengthening the ties of understanding, contacts and cooperation in such measure that within a few years we shall be able to speak of Turkey as a full member of our Community, living in accordance with the same democratic rules as those according to which we live.

(Applause)

President. — I call Mr Walkhoff.

Mr Walkhoff. — *(D)* Mr President, ladies and gentlemen. I note with pleasure that the recommendations of the EEC-Turkey Joint Committee call for a coordinated system of measures to solve the problems of Turkish immigrant workers.

Ladies and gentlemen, allow me in this connection to discuss the scope of education and training of Turkish immigrant workers and describe what ought to be done in my opinion.

In preparation for the discussions planned for September with our Turkish colleagues, the experience of the Member States in the education and training of Turkish immigrant workers and their children should be collected and evaluated, including an investigation into the extent of intervention by the Turkish authorities. The latter is unfortunately necessary—at least from the German point of view—because in the Federal Republic there has been repeated interference from the Turkish side. I imagine that this is also true in other Member States.

The latest incident occurred in North Rhine-Westphalia where the Turkish General Consulate vetoed the appointment of three teachers in a competent local education authority, who had been intended for the education of young Turkish workers at a vocational school. This occurred even though the Turkish authorities were only able to offer as an alternative an

inadequately qualified teacher, i.e. one who was not proficient in German.

The result is that amongst the people—at least amongst some of the German people—the suspicion is being increasingly expressed that the Turkish Government will only accept those teachers abroad who will represent the interests of the Turkish Government or even—as some say—will then spy on their fellow countrymen in the host countries.

In the forthcoming negotiations with Turkey, we should therefore, in the general interest, not exclude from the discussions the Turkish attempts to achieve an improper influence, both over the immigrant workers and the authorities of the host country, but we should even place them at the centre of the discussion or find an important place for this topic. We should not do this—if I may say this here—as though Turkey were an example of a democratic country. By doing that we would be giving a stab in the back to the democratic forces in Turkey and to many immigrant workers.

Now that a Turkish parliamentarian has even referred in the past week to torture of political prisoners in Turkey, no one should have any further illusion about the political situation there. It is not right to give the Turkish workers fundamental democratic rights in the host countries—as is the case now—and on the other hand to give Turkish authorities the opportunity for spying, with the result that, on their return to their country, the Turks are punished for their political activities in the host countries.

Therefore I would again submit my request that these problems be given priority in the European-Turkish discussions.

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — I seem to be hogging the Commission benches this afternoon, although it is not we who choose the subject for debate.

It gives me particular pleasure to speak in this debate, first, because I returned recently from Turkey from the signing of the agreement to which the motion refers, and, secondly, because Sir Tufton Beamish, the rapporteur, has done so much work with his colleagues on the report and this is a most topical moment for it to be discussed.

I am glad to tell the House that the supplementary protocol, which the Commission welcomes, was signed in Ankara only last week. We also concluded an interim agreement, as

Soames

asked for in point 3 of the motion, which almost immediately brings into effect the commercial provisions of the protocol prior to ratification by the Member States. All those from the Community who attended the ceremony in Turkey were grateful for the Turkish Government's very considerable and proverbial hospitality.

The signatures mark an important addition to our relations with Turkey. They extend the provisions of the Association Agreement to the three new Member States and thus complete the process started with the negotiations for enlargement some years ago. The three new Member States will open their markets to Turkish exports and will participate in all the various common activities foreseen in the Ankara Agreement and, more explicitly, there is an additional protocol which entered into force for the six Member States on 1 January this year.

We can, I think, regard what one might call the geographical extension of this Association as a real reinforcement of its substance and content. It is a particularly happy coincidence that the enlarged Community should have signed this agreement with Turkey in the same week that it established its common position for the forthcoming multilateral trade negotiations in GATT; for in this way the two parallel threads of the Community's overseas trade policy — the major contribution which the Community makes in the multilateral field, on the one hand, and its determination to strengthen its special links with an associate, on the other — have been reaffirmed and reinforced at virtually the same moment.

I was glad to hear in this debate confirmation of what my colleague Mr Cheysson had told me, namely, the success of the recent meeting of the Joint Parliamentary Committee in Strasbourg and how much was said there in appreciation of our first 10 years of association together. However, in speaking in this debate, I wish to dwell more on the future than on what has already been achieved.

I notice that, like the Joint Committee, Sir Tufton Beamish's report rightly draws particular attention to the need for measures to facilitate industrialization in Turkey. One sees the evidence of that when one visits the country, and it is of first importance. The supplementary protocol gives Turkey the right to adjust in certain ways the consolidated list of goods liberalized for import from the Community into Turkey. In addition, the joint declaration annexed to the supplementary protocol stresses our resolve 'to devise and take the measures which would seem to be the ones most likely to promote the industrialization of Turkey within the context of its development plan.'

The motion then turns to financial questions. The House may like to know that all the 175 million units of account made available for the first five years of Association have been spent and that of the 195 million units of account originally made available for the period ending May 1976 about 100 million have already been committed to various projects. Now, thanks to enlargement, that figure is increased by a further 47 million units of account from the new Member States, making a total of 242 million. In addition, we have agreed to make available a further credit of 25 million units of account from the European Investment Bank's resources.

Sir Tufton Beamish's report rightly points out that the Association Council can now take measures for the benefit of Turkish workers working inside the Community itself. This is a subject to which many Members in this debate have rightly drawn attention.

But there are over half a million of them, contributing by their skill and their application to our economies and by their remittances over 700 million units of account of Community currencies also to the development of Turkey. The Commission's services are studying the sometimes very complex problems of the status and welfare of these migrant workers and we hope to come forward with thought-out and helpful proposals in the near future. The House may already know that my colleague, Dr Hillery, who is responsible in the Commission for these matters, also went to Turkey last week for the signing of the agreement specifically in order to have contact with the Turkish Government on this very subject.

Where generalized preferences are concerned — a subject to which Sir Tufton and others referred — we have now agreed procedures with the Turkish Government which make it absolutely clear that although Turkey will not be a formal beneficiary of the Community's scheme for generalized preferences, it will receive advantages which are no less than those received by the beneficiaries under the Community's scheme, and that if the Community's scheme should be developed further — which, given the cooperation of other industrialized nations certainly will be done in the context of the next GATT multilateral discussions — then these further advantages will also be extended to Turkey.

We believe, therefore, that Turkey's position, where economic substance is concerned in respect of the generalized preference scheme, is fully guaranteed. Indeed, this was the view expressed quite clearly by the Turkish Foreign Minister last week at the signing ceremony when this matter was discussed.

Soames

Lastly, the motion before the House emphasizes the political significance of our association with Turkey. This, too, was constantly underlined in the discussions and the speeches in Turkey last week.

As Sir Tufton pointed out, it is correct that Mr Scarascia Mugnozza hopes to be present at the International Fair of Izmir in September. This means three Commissioners will have visited Turkey in a matter of a couple of months.

In this tenth year of the Association between the Community and Turkey, which incidentally happily coincides with the 50th year of the foundation of the Turkish Republic, this is just one further sign of the pledge which the Commission gladly gives of our efforts to do what we can to further the goals of that Association and to play our part in the future as we have done in the past.

(Applause)

President. — Thank you very much, Sir Christopher. I assure you we have been very glad to listen to you and we would not consider that you have been hogging the Commission's benches. Perhaps you have to some extent made up for certain absences there may have been on the benches yesterday.

Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

On the preamble and paragraphs 1 to 11 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The preamble and paragraphs 1 to 11 are adopted.

On paragraph 12 I have Amendment No 1, tabled by Mr Bertrand, Mr Adams and Mr Durand, on behalf of the Committee on Social Affairs and Employment, and worded as follows:

At the end of this paragraph, insert the following: "... and urges that, pursuant to Article 39 of the supplementary Protocol, the Association Council take before the end of this year decisions on arrangements in the field of social security."

I call Mr Adams to move the amendment.

Mr Adams. — (D) Mr President, I have already given the reasons for the amendment proposed by the Committee on Social Affairs and Employment in my remarks. It is a question only of a finer definition. I believe the rapporteur will agree with this definition.

President. — What is the rapporteur's position?

Sir Tufton Beamish, rapporteur. — In my presentation of the report I said the amendment was acceptable and entirely within the spirit of the report. I can therefore say officially that I would be very glad indeed to accept it and I recommend Parliament to do so. I wish to add that we on the Joint Committee of the Association with Turkey are very grateful to the Committee on Social Affairs and Employment for the trouble it has taken to look into the problems which have arisen in the case of emigrant Turkish workers.

I would much appreciate it if Mr Adams would be kind enough to let me have a copy of his speech. I noticed that he was speaking from a very full text. If he can do so, I will circulate it to the members of the Joint Committee of the Association with Turkey.

As rapporteur, I repeat that Amendment No 1 is acceptable.

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

Amendment No 1 is adopted.

I put paragraph 12 so amended to the vote.

Paragraph 12 so amended is adopted.

On paragraphs 13 to 19 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

Paragraphs 13 to 19 are adopted.

Does anyone else wish to speak?

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

The resolution as a whole is adopted.¹

16. *Strengthening the European Parliament's budgetary powers*

President. — The next item is a debate on the interim report drawn up by Mr Spénale on behalf of the Committee on Budgets on the proposals from the Commission of the European Communities to the Council on the strengthening of the budgetary powers of the European Parliament (Doc. 131/73).

I call Mr Spénale, who has asked to present his report.

¹ OJ C 62 of 31. 7. 1973.

Mr Spénales, rapporteur. — (F) Ladies and gentlemen, in the terms of the Luxembourg Agreement of April 1970 ratified by the Parliaments of the Six Member States which founded the Community, and accepted by the three new Member States when they signed the Treaties of Accession, the budget of the European Communities for the financial year 1975 is to be financed exclusively from the Community's own resources, which will include primarily agricultural levies and the tax on sugar, the revenue from the common customs tariff and a proportion of the value added tax received by Member States and fixed annually within the limit of 1% on a previously harmonized basis of assessment.

At this stage of the preamble, I must also ask the Commission of the Communities two questions: what stage has been reached in the problem of the harmonization of the basis for assessment of VAT? May one hope that on 1 January 1975 this basis will have been harmonized and that it will be possible to collect this revenue satisfactorily in the Communities?

The Commission of the Communities, when it presented new arrangements for the European Parliament's budgetary powers on 12 June 1973, gave new impetus to the process which should, in principle, bring about a better democratic balance between the institutions of the Community where the budget is concerned.

The exhaustive examination of these proposals, which touch on one of the essential problems of the Communities' development, would have required a very long period of time. But for very pressing reasons, to which I shall return, it was not possible to wait until September before giving the Commission our Parliament's reaction to these proposals.

Under these circumstances, the Committee on Budgets felt—and the Political Affairs Committee agreed to pursue the same line—that an introductory debate should take place at this July part-session to allow the appropriate committees, and possibly a working party proposed in an amendment by Mr Kirk, to make a more detailed examination of these proposals, with the Commission's backing, with a view to obtaining additional proposals and a detailed opinion from our Parliament.

That is why the report which I had the honour to draw up on behalf of the Committee on Budgets is only of an interim nature and is primarily a circumstantial report, a little dry and rather technical, for which I hope I shall be excused. Also, I should have thought it necessary during my oral presentation to place this document against the institutional, histori-

cal and political background of the matter under consideration, but I don't think the speaking time allocated to me will allow me to do this. Consequently, in September's written report I shall describe the lengthy process of development this matter has been through in the past.

I should, however, like to stress what makes this report particularly important. First of all, I believe that budgetary constraint is the origin of parliaments and the development of parliamentary powers in the majority of our countries. The other aspect, which is perhaps more important for us, is that, this time, it is not really a question of acquiring new parliamentary powers, but rather of avoiding, where budgetary powers are concerned, a reduction in the general level of democracy in the Communities. In actual fact, from the moment when the budget of the Communities is supplied by its own resources and no longer by the financial contributions of Member States, national parliaments are no longer competent and no longer have any direct power over the fixing of the budget and the utilization of revenue. If the European Parliament did not receive genuine budgetary powers to counterbalance this, there would be a reduction of overall parliamentary democracy within Europe.

Thirdly, what I should like to stress before going any further is the considerable influence which the resources, by their origin and nature, have had not as a result of any theory of budgetary rights, but in the very Treaties establishing the Communities. One need only look at the developments of budgetary rights in the ECSC and how these are instituted in the European Economic Community.

In the ECSC, right from the start, own resources were instituted in the form of a levy, limited to 1% of the coal and steel turnover. These own resources, the amount of which is fixed each year within the limit of 1%, are decided by the High Authority—thus, today, by the Commission—which undertakes with these resources policies of conversion in mining and steel-producing countries, the construction of housing for workers, professional retraining of workers in areas undergoing change, etc., and neither the revenue nor even the expenditure are examined—and I stress this—by the Council of Ministers.

This has led to a sound practice in the sense that the Commission did not wish to bear the responsibility alone. It has established a procedure whereby it appears before four committees of the European Parliament to make proposals on the levy for the coming financial year and on the policy which it intends to carry

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out with the proceeds of this levy. And without being compelled to do so by anything in the text, I must say that, for a number of years during which I have had the privilege of being chairman of the Committee on Finance and Budgets, the Commission has always followed the proposal of the Committee on Finance, both on the amount of the levies and on the suggestions which had been made about expenditure.

Then came the EEC, in which it was not possible at the start to institute a system of own resources because faced with the infinite diversity of the European economies and the infinite diversity of European tax-systems there was no other way of supplying the needs of the Economic Community other than by financial contributions from the Member States, based on various scales, with which you are acquainted, and according to the policies pursued.

There again, what resulted was the corresponding institutional right, that is to say that since the Member States provided the main substance of the budget, it was the institution in which national sovereignties are represented which had control over the budget. And as, in the long run, budgetary rights and legislative power are strictly inseparable, the Council was also granted legislative power.

Now, from 1 January 1975, the situation in the EEC will be reversed, for the budget will be supplied by own resources. And as budgetary rights must conform to the facts, when the facts are irreversible—I think that the introduction of the Communities' own resources does constitute irreversible fact—obviously the institutional right of the EEC must be adapted to the budgetary situation; that does not mean that we must carry out a standardization of budgetary procedures in the ECSC and the EEC, but that there must be a tendency towards harmonization, and in any case, to maintain homogeneity of the Communities' budgetary rights, we cannot keep to totally unbalanced procedures once the nature and origin of resources in both institutions become the same.

These, then, are some arguments which underline both the importance of this problem and the dynamics of its development.

Furthermore, as far back as the signing of the Treaty of Rome, the first signatories, amongst whom was Mr Maurice Faure, who is once again a member of this Assembly, had first made provision for the replacement of the financial contributions of Member States by the Communities' own resources, in particular by revenue accruing from the common customs tariff when it had been finally introduced.

That was in Article 201. No doubt they hoped that at that time the Community's budgetary rights would also be harmonized.

What became of this? What happened in 1970? Was there any evidence of rapprochement in the procedures which developed, any tendency towards the harmonization of the rights of the various institutions? Did Parliament receive real budgetary powers to compensate those which had been lost by national parliaments?

I must say that in the course of the procedure—the contacts between Parliament and the Commission having been confident, cooperative and constructive—there were moments of hope. Towards the end of December 1969, the Council itself, after a meeting on 19 and 20 December, had issued a communiqué which gave the impression that it was prepared to give real powers to Parliament.

Only the French delegation had some reservations about the means of implementing this decision, where the fixing of revenue by Parliament was concerned, but the principle was not questioned.

And then everything went into reverse: eventually two categories of expenditure were defined, one described as obligatory and the other—without putting it in so many words—as optional. Unfortunately for us, and this is the main factor in our disappointment, the expenditure which was declared legally obligatory since it was a consequence of the Treaty or of decisions taken pursuant to the Treaty by other institutions—and without Parliament delivering any decisive opinion—and which were by their very nature optional were declared legally obligatory.

Other expenditure, administrative expenditure, in which we were given a slight margin and which, we were told, was optional—these were costs and expenditure for staff, office space, electricity, telephones, machinery, stationery, and other material without which an institution like our own cannot function—revealed themselves to be obligatory by their very nature.

In fact, we found we were faced with two categories of expenditure which had been carefully separated but which, in the long run, were equally obligatory.

Under these circumstances, the European Parliament rather resembled Victor Hugo's character in *Ruy Blas* who, having donned someone else's clothes, reads the love letters which are in the pocket and standing beside the eating-house declares: 'And deceiving in turn both stomach and heart, I have a glimpse of the feast and the shadow of love.'

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This was roughly our own situation, hardly a very comfortable situation for a Parliament to be in!

It was for all these reasons that the Commission itself considered that the Council's proposals on this matter were intolerable, that it could not give them its support and that it would make new proposals on the European Parliament's budgetary powers, between that time and 1972.

For the benefit of those members of Parliament who are not in the Committee on Budgets, I would add that on the subject of legislative powers, the Council took due note and undertook to examine these proposals in the light of debates which were to take place with the Member States and with the enlargement of the Community in mind.

In the end, Parliament was greatly disappointed. One might ask why it accepted this. In fact, we did not accept, but we made our reservations known, we voiced our interpretations and we announced our differences.

One might also ask why there was no opposition. In actual fact, we did not show any opposition. Why? There were three essential reasons.

First, because we were convinced, and we still are, that rights should be adapted to facts when these are irreversible and because we wanted the financial contributions of the Member States to be replaced by the Community's own resources, which did take place. This is a considerable step forward, which we did not want to compromise.

In the second place, we were told: Why disrupt that, when you have the Commission's undertaking to make new proposals which will mean that the rights set out in the 1970 agreements will no longer be applicable in 1975 and you will, consequently, have improved budgetary rights at your disposal?

The third reason is that we are parliamentary democrats, and it was very important for us that national parliaments should have their say, at the time when they themselves were deprived of powers, on everything involving the Communities' budgets, and that they should be able to give an opinion on the way in which the responsibilities which they were losing should be exercised in future in the Communities. This was something very difficult for these Parliaments. It is not pleasant to lose powers. Consequently, it was very important for them to be able to make a declaration on this occasion.

The Council said: I shall examine this in the light of the discussions. These discussions took

place. In most countries they gave rise to a little more than 80% in favour of the ratifications which had been recommended by the European Parliament with the reservations I have mentioned, except in Italy where the percentage of approval was smaller. But in Italy, as in the other countries, there were those who voted for the ratifications, saying: 'But we take into account the promises which have been made to the European Parliament and the guarantees for the development of parliamentary democracy which this implies, and it is only in this light that we can vote, as we would not wish to divest ourselves of powers to the advantage of a non-parliamentary institution.' Ninety-five per cent of the others, those who voted against, said: 'We are voting against because, despite these promises, there is not sufficient parliamentary democracy in the Communities and we have no confidence in the Community institutions, given their structure, and in particular no confidence in the all-powerful Council, not on account of its members but of its structure; we are not confident that, tomorrow, they will make proposals leading to the acquisition of sufficient budgetary powers by the European Parliament.'

Consequently, if one counts those who voted in favour, saying: 'But with a development of parliamentary democracy...' with those who voted against, saying: 'We are voting against because there is not sufficient parliamentary democracy...', we can say that, in the ratification which occurred in the founder countries of the Community, the development and flowering of parliamentary democracy in the budgetary rights of the Communities was the wish of 98% in national parliaments.

We therefore think that both the Commission and the Council will take this into account, and that now is the time to move forward.

Afterwards a very basic problem arose, of course, the problem of time limits. I shall not come back to the problem of time limits, since it has been solved.

We received the proposals with six months' delay and this is why I should therefore like to justify to my colleagues the rather rapid procedure which we have followed for this introductory debate.

It is obvious that as a result of the Commission's proposals the ball is now in our court, and if the European Parliament does not reach a conclusion today in an introductory debate, it will not be able to do so before September. Now, we will not be able to work on the basis of a position taken by our institution, if a resolution is not adopted today.

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We want to avoid wasting time, and we realize that time is running short, for even with only six Member States, more or less two years passed by between the submission of the Commission's first proposals and the final ratifications. I doubt that with nine, we will be able to go much faster.

Thus it is important not to lose any time. That is why we first put pressure on the previous Commission by submitting a motion of censure. We pestered you. You were still a little late arriving, in our view, but we must concede that, since the arrival of the Commissioner charged with these questions, rapid work on this matter has been accomplished and we have received proposals which, although not wholly satisfactory, are not negligible. In fact, on a certain number of points, the European Parliament may be satisfied by results: the problem of maintaining the financial autonomy of the Communities, that is to say the possibility for the Communities to adapt the resources at their disposal to the essential needs of policies.

A regional policy and a social policy are emerging. We hope that energy policy will also take shape one day. It will be expensive. There are wide possibilities for the common policies, without counting the expansion of the agricultural policy, which we have heard will have a supplementary budget in 1973 of one thousand million units of account. During the same period it will be noticed that common revenue, and in particular customs duties, are tending to diminish despite the expansion of trade as a result of ever increasing liberalization. The Nixon-Round, the Kennedy-Round generalized preferences all lead to a divergent development of expenditure and revenue, and if the financial autonomy of the communities constituted by own resources in the budget, is to be maintained, it will have to be possible to release Community revenue to cover the common policies by Community procedures.

Our proposals of 1970, which the Commission approved, but which were not adopted by the Council, were intended to make this possible, given the unanimity of the Council. Every country, whether large or small, should know that we could not impose upon it for new budget funds without its prior agreement, and without an absolute majority of Members of Parliament and three-fifths of the votes cast, that is to say a quorum giving sufficient guarantee of the serious nature of such a matter.

The Commission renewed the proposals. One point of disagreement was their decision as to who should have the final word on the matter. But this point is not a fundamental one, and our Legal Affairs Committee will examine the

arguments which have been presented to us on legal protection in this affair.

We have obtained satisfaction on the matter of control. It is true that it will be necessary to discuss in detail the organization of the Court of Auditors, but the proposal follows the same lines as our deliberations and the work accomplished by the Committee on Budgets in the course of various contacts with the Chairmen of the Audit Offices of the Member States.

A document on the institution of a Court of Auditors is being elaborated, and Mr Aigner has written the introduction to it. Ideas from all sides will be drawn together, and I think we should be able to achieve an interesting result.

Finally, Parliament's agreement on loans is required, which was not previously the case.

Here then we have a series of positive decisions, but they do not centre on the core of budgetary power. Means of control are something extremely important—indeed, they make it possible to prevent the abuse of budgetary powers by bad execution of decisions, but it is necessary to have budgetary powers in the first place.

If we do not have budgetary powers, the task of control is not really the work of a political institution, it is virtually the work of an Audit Office. Now, an Audit Office is a means of finding out what has been going on, but it does not constitute budgetary power.

Where true budgetary power is concerned, that is to say the power of decision determining the major sums appearing in the budget, even before budgetary procedure or within budgetary procedure itself, there is no evidence of any proposal which is likely to bring us genuine power. I feel I must tell you, President Ortoli, Commissioner Cheysson, throughout the existence of this Parliament, each time that this problem has come up, whether in the Political Affairs Committee, whether in the Committee on Budgets, whether with relation to a problem of budgetary nature or any other, the position has always been that once the Communities' budget was supplied by its own resources, Parliament was to have the last word on the budget. Now for decisions which, before the budget, determine the major budgetary items, the principal policies which affect the budget over several financial years, etc., a 'second reading' procedure has been proposed. This is no great innovation.

I know that Mr Cheysson, and I am sure he is quite sincere, thinks that there is a little innovation. As things are at present, the Commission has to send us its proposals with a financial memorandum. Parliament prepares an opinion,

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makes proposals, which the Council examines. It has to vote taking into account the position taken by Parliament and must appear before Parliament to explain itself if Parliament's opinion is not followed. Beyond that—I'm talking about budgetary affairs of course, I am not condemning 'second reading' where other affairs are concerned, where powers are advisory,—I have one opinion on the question and the Commission also has one. This opinion is that according to these procedures, if the dossier is sent back to the Council, it is hard to see, given the structure of the latter, how it can go back on its judgement: its decision having already been taken on the basis of a proposal by Parliament, and its structure is that of the Nine.

We know what the Council is. It is a veritable regular international conference which governs so called common policies and which is attended by a number of national delegations, in a sort of permanent negotiation. And when nine States have reached a decision on a problem, do you think that, because one of them has come to speak here, the national delegations to the Council will change their position? What will inevitably happen is that there will be a second refusal added to the first, which is not very honourable.

Furthermore, Lord Gladwyn has granted me the privilege of reading his notes. Beneath the paragraph on page 4, where we find written: 'then second reading will be applied...', he has simply written: 'And then?'—well, there is still no power of decision.

Last time, we had quite an animated debate on budgetary procedure, procedures, the details of which are shocking, which allow a minority in the Council to oppose both Parliament, the Commission and the simple majority in the Council. This is quite amazing.

Well, the Commission has not even taken up what was for us an essential point, that is to say, Parliament's ability to reject the budget at the final stage of the procedure, on the grounds of the possibility of monthly supply votes or the way in which the texts are drawn up. Now, the Commission was fully in agreement with us on this point. It was even the major argument behind its refusal to support the Council's proposals.

Under these circumstances, we are forced to ask the Commission to make new proposals on all these points.

I now wish to say some things in conclusion.

Mr President, since in the year 1975 we shall have reached the financial year in which the

budget of the Communities will be financed by own resources, I believe that this will in any case be a historical milestone in the progression from budgetary dependence to the financial autonomy of the Communities. The President-in-Office of the Council and Belgian Foreign Affairs Minister at the time, Mr Harmel, had greeted this as a historical event, declaring, on 22 April 1970, that this represented the Community's coming of age as a political institution. And President Rey, your predecessor, declared: 'It is entering a new period of its history'.

I must say that, as far as we are concerned, this major revolution will not be genuinely accomplished unless it is accompanied by the indispensable institutional reforms necessary for the determination and utilization of these resources, and unless the European Parliament, representing the peoples of the Community, is granted powers comparable to those held by national Parliaments, which represent the people on a national scale. Otherwise there will be an unacceptable regression of Parliamentary democracy in general; otherwise budgetary procedure will only be a worthless imitation and the European Parliament, fixing a budget over which it has no genuine power, will become an accomplice in a purely formal parody of democratic legitimacy which will not really exist; otherwise we shall have to doubt the intention of the other institutions to establish at community level an institutional system bearing some substantial resemblance to the parliamentary democracies in our own countries; otherwise we must wonder whether the communities, and in particular the Council, still have the right to demand that countries which are candidates for accession should themselves have a system of parliamentary democracy; otherwise we must cast doubt upon the springs flowing from the heights, bearing each time common hopes, which diminish and are lost in their descent through our institutional swamp. So we shall have to fight.

This is why we for our part, say that 1975 will perhaps be a major date in the history of the European Communities and the end of institutional imbalance and the beginning of a new era of cooperation, which we profoundly desire, with all the other institutions, and in particular the Council, on condition that the democratic consequences of financial autonomy be clearly accepted.

Should the things turn out to the contrary, 1975 will mark the opening of a serious inter-institutional conflict, which it will only be possible to settle when Parliament has received, on common affairs, at the very least the minimum of real powers normally assumed by a Parliament if the institutional whole to which

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it belongs is to be considered a parliamentary democracy.

The Committee on Budgets and, I am sure, the large majority of Parliament, ardently hope that the procedure undertaken and the solutions to be finally adopted will make it genuinely possible for 1975 to mark inception of a new and democratic balance and a spirit of constructive cooperation between our institutions. This would be the best guarantee of the success of the major objectives of our Community, whether in the field of economic and monetary union, of political union or the major tasks facing us, both within and without, in our common future.

We shall work with the greatest respect and the widest possible comprehension for the other institutions and the responsibilities which must, at all events, remain theirs. We request the Commission and the Council to act similarly towards this Parliament. To this extent, the very best is possible. We shall contribute to it. We expect it.

IN THE CHAIR: MR DALSAGER

Vice-President

President. — I call Mr Kirk on behalf of the Political Affairs Committee.

Mr Kirk, draftsman of the opinion. — The Political Affairs Committee was asked to deliver an opinion, and the opinion which I give today is an oral one and very much an interim one for reasons which I think are fairly apparent. It was only on 12 June that we received these very important proposals from the Commission. It was only subsequent to that that work on them could begin. We have had one joint meeting — a somewhat abortive meeting — between the Committee on Budgets and the Political Affairs Committee at which the Commissioner was present. We had as lately as yesterday afternoon — the only time that we could find to meet — a meeting of the Political Affairs Committee at which both Mr Spénale and the Commissioner, Mr Cheysson, were present when the committee had its first chance to consider this matter as a committee. I have been instructed by them merely to report to the House the trends of the discussion in committee, which lasted for over three hours yesterday afternoon, and to make a modest proposal, which is part of the amendment standing in my name.

The Political Affairs Committee is not simply interested in budgetary powers, although we agree with Mr Spénale that control of the budget

is a basic part of the role of any parliament worthy of the name, and therefore these proposals and the proposals of the Committee on Budgets are fundamental to the future work of Parliament as a whole. The Political Affairs Committee is also charged with a general review of the relationship between the three political institutions of the Community and to consider not only the document which the Commission has sent to us concerning budgetary powers but the more far-reaching document which it has sent to us about the powers of Parliament as a whole. It will be immediately apparent to every Member that these two documents overlap to a certain extent and it is therefore difficult to put forward in isolation an opinion on the budgetary document without referring at some stage to the other document.

There is, for example, the question of second reading. Here I must make the point which I made in committee, that we must find a better term in English, because 'second reading' in English has a technical meaning which has nothing in common with the procedure proposed here; indeed, it is very different from it. The proposal for Parliament to have a second bite, as it were, before the Council finally makes up its mind is a proposal which the Commission has not limited to budgetary powers but has put forward over the whole field of Community legislation.

Plainly it would be wrong for Parliament to take any definitive step on the question of budgetary powers only which might preempt any final decision which it proposed to take on the question of legislative powers as a whole. Mr Spénale and the Committee on Budgets fully agree with this object. They have so drawn up their text that they limit their comments to the question of the use of this procedure in budgetary matters. Nevertheless, we must consider it as well in connection with the suggestions by the Commission for dealing with general legislation for the large number of proposals which will come forward in the negotiation of economic and monetary union where Parliament's role could be of great importance. Although we do not object to the preliminary reflections of Mr Spénale and the Committee on Budgets in this matter, we insist that Parliament should have very much in mind that this proposal goes much wider than the matters we are considering today. The second point which emerged very clearly from the discussion in the Political Affairs Committee yesterday was the feeling that we have not yet reached the stage where the Political Affairs Committee or Parliament as a whole can do more than give an initial reaction to the proposals put forward. Those proposals, which we are convinced have been put forward by the Commission not only in good faith but with the

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intention of strengthening Parliament's powers in these matters, are, in some cases, very complicated. For instance, we welcome the proposals for the Audit Court, but, as in all such matters it is more important to read the small print than the large print at the beginning. We have not had time, and Mr Spénale will agree that his committee has not had time, to analyse the small print.

The second matter which should be emphasised is that the judgment which we are asked to accept, which the Political Affairs Committee supports with the reservation to which I shall come and with which I think Mr Spénale agrees can, from the Commission's side and from our side, be regarded only as a first reaction and in no way a definitive judgement on the proposals. That must wait until we have had time to examine the small print.

As Mr Spénale reminded us, we are up against a difficult timetable. For reasons which we all understand—the coming into force of a new Commission and the need for that new Commission to re-evaluate its position in the light of last October's summit decisions—we are about six months behind the proper timetable that we should have. We need to get the proposals brought into force in time to apply them to the budget of 1975 which we shall begin to take in hand in June or July next year. Again, as Mr Spénale reminded us, nine national Parliaments have to ratify the changes that we are putting forward. Past experience among the Six leads him, and indeed us, to believe that it was bad enough with six and that it will probably be a good deal worse with nine.

Therefore, we face a dilemma. On the one hand, we have the need for speed and, on the other hand, the need for detailed accuracy where it is perhaps more important than in almost any other sphere. In order to achieve this and to avoid a situation where the Commission, as at Wimbledon, lobs a proposal to us and we lob it back and say, 'It is not satisfactory; send us another', we have suggested that we stop playing tennis and play bridge instead so that we can all sit round a table and work out our proposals more closely. If we are to achieve the concrete results which are needed in the time that they are needed—that is, by the September part-session — to give the Commission time to formulate its final proposals and to give the Council of Ministers time to decide, as it must, I believe, by the end of the year if we are to be sure of ratification by June or July next year in order that the procedure can be implemented for the 1975 budget, we have proposed the setting up of a joint working party of the Committee on Budgets and the Political Affairs Com-

mittee, the two committees most involved, which would then examine in detail with the Commission the proposals put forward by the Commission and any ideas that we have and that that working party should report in the September part-session.

This is embodied in Amendment No. 1 which I have tabled on behalf of the Political Affairs Committee. There is an error here which is entirely my fault. The amendment was drafted in a hurry. The word 'new' in the last line but one should be deleted, so that the line should read: 'the Commission's proposals', which we already have. This does not limit us in our report merely to commenting on what we already have from the Commission. We have absolute power as a working party to recommend something else. We shall be in a stronger position to recommend, having discussed with the Commission whether this particular horse, to change my analogy, is a runner or not. But I hope that we would start from the documents that we have and, building on them with the Commission, come forward in September with separate proposals which, though they may not satisfy all of us — we shall be difficult to satisfy on this matter — will nevertheless, for the 1975 budgets give us a working arrangement giving real power to this Parliament.

There are a number of matters which the Political Affairs Committee will wish to consider further and in depth which should be considered by the working party.

Mr Spénale dealt at length, quite rightly, on paragraphs 6 to 8 of his resolution which are concerned with the right of Parliament to reject the budget outright. Speaking personally, not for the Political Affairs Committee, it has always seemed to me that this is the sort of nuclear weapon which exists only not to be used. It is something to be held *in terrorem*, as it is said. It is unlikely that the Parliament would ever bring itself to throw out the whole of the budget. If it got that far, there would be such a crisis that the Community would be in danger. Nevertheless, the principle stated by Mr Spénale is right. The last word should be here, not with the Council of Ministers.

The problem is how to write it in such a way that it is likely to be acceptable not in two years, but by the end of this year, because it is only by the end of this year that we can be sure of getting all these proposals through in time. We would like more time to examine the principles behind the outright rejection procedure and whether, at this stage, for the 1975 budget it is so strong a principle that we

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must insist upon it against all-comers and risk losing the rest of what we are putting forward in these proposals.

We would also like time to examine the exact way in which this *double lecture*—I must not call it a Second Reading procedure—is likely to work: whether it is again a question of the game of tennis, lobbing proposals backwards and forwards over the net, or the game of bridge, sitting down round the table and trying to work out an agreed solution. I must insist as a pragmatic Englishman—it is one of our great faults—that we are better at bridge than at tennis. We prefer it because we prefer the pragmatic solution to the devastating confrontation. There are times when we must have the devastating confrontation, but I hope that they are only one out of 100 occasions.

We also need time to examine the very important paragraph 10 dealing with the right of Parliament to have a final say in the financial implications of any new measures. This right is, or should be, absolute and unassailable, but we need to examine its practical effects and the way in which it could be put into effect. This is something, I hope, which the working party could do.

We need some time to work out the precise details of the Audit Court and the institutional links of the court with this Parliament, because one of the essentials is that although the Audit Court must be independent in what it does, it must ultimately come back here and not to the Council or the Commission. It belongs in Parliament, not to the Commission or the Council, because it is expressing value judgments on them which must return to us. We in the Political Affairs Committee would like to see spelled out a little more clearly and precisely exactly how this procedure will work.

I have discharged I hope—not to the satisfaction of all members of the Political Affairs Committee, because the debate there lasted three hours and I have spoken for only 10 or 12 minutes—my task of giving Parliament some idea of the discussions which took place. We can come forward with no absolutely concrete proposals, except that which I have suggested, which is purely procedural, for the way in which we proceed between now and the September part-session. But I hope that I have been faithful in reporting the views put forward by my colleagues in the Political Affairs Committee yesterday, which we believe should animate our future work in this vitally important matter.

(Applause)

IN THE CHAIR: MR BERKHOUWER

President

President. — Before calling Mr Aigner, I would remind the House that Parliament decided this morning to limit speaking time to 10 minutes for speakers on behalf of political groups and 5 minutes for others. I can accept that on such an important matter as this certain speakers may go slightly over the time-limit, but I would nevertheless ask them to attempt to be as brief as possible.

I call Mr Aigner on behalf of the Christian-Democratic Group.

Mr Aigner. — (D) Mr President, Ladies and Gentlemen. On behalf of the Christian-Democratic Group I should like to give my hearty thanks to the two rapporteurs. This is no mere empty phrase. We know under what pressure they have been working; and we also know how lively the discussion was in the individual groups. In spite of this pressure of time we have ourselves held discussions for hours. Therefore I do not wish to repeat those points made by Mr Spénale and Mr Kirk, on which there is almost complete agreement with our Group. We have come to the same conclusions as Mr Spénale in his resolution. Mr Spénale spoke at the beginning about the discussion which we had on this problem in April after the Hague. I would like to remind Mr Spénale that at that time we would have failed, if all the Groups had not agreed on a formula and if one Group, for whom it was really most difficult, because they had to come out against their own government—I mean the Gaullist Group—had not helped, in a bitter argument with their own government, to achieve the proposed improvements. I would remind you of this fact, Mr Spénale, because we can only achieve this aim of the unification of Europe and the very existence of this Parliament—not merely its credibility but also its existence—if all the groups find a formula together, and are prepared to go to the barricades to initiate really concerted action between the National Parliaments. In this case I believe we can gain the full support of public opinion and of the National Parliaments for this demand.

I should also like to remind Mr Spénale of something which he did not mention, namely that we also accepted the proposals at that time because we could see that we were in agreement with the then Commission on major points; i.e. we interpreted the Treaties, with the backing of the Commission, to the effect that in the total rejection of the budget this Parliament has the final say. This instrument, this interpret-

Aigner

tation of the Treaties, would not of course have secured budgetary power for us—that is obvious—nor even the final say about the resources, but only the final say in the rejection. This means we would have had an instrument, and we would have also been prepared to use this instrument and to initiate at any time a limited conflict with the Council. With this instrument we could have forced the Council to a dialogue on a decision.

This explains my first question to the Commission: why has the Commission not actually upheld this interpretation, which it previously shared with us, and why in its proposals does it no longer attach any importance to this interpretation of the final say?

I also think, Mr Spénale—and I am very grateful for what Mr Kirk has said—that we are pressed for time, and our aim should be to obtain budgetary powers on the basis of a partnership with the Council by the time of the 1975 budget. However, Mr Spénale, I would warn against acting in haste now and still not being successful and not achieving our aim of having more powers by 1975. We should give ourselves time! My Group—and they have expressly stated this—consider this discussion as a preliminary debate, an introductory debate to a dialogue with the Commission, and also with the Council, and if necessary a tough dialogue. I am of the opinion, Mr Kirk, that the Commission will soon have to revise its proposals. It does not matter at all—at least in my view—whether the Commission submits a new paper directly to the Council—which of course would involve a considerable amount of time—or whether, together with its own paper, it puts forward our ideas which we shall submit to it in the dialogue.

If it does that, it can also easily submit the old proposals with the new ones. In this case, however, time is important.

However, Mr Spénale, we must then also formulate the proposals of this Parliament in a quite concrete form, point by point,—this was the reason why we consider this today as an introductory debate—and oblige the Commission to accept these formulations, to present them at the Council and to justify them there. I am against the idea of simply rejecting the proposals and then if possible arriving at a vote of censure, which one would have to do, if one has not oneself formulated exactly what one wants and the Commission has been unable to align itself with our ideas.

Therefore we should take time to consider thoroughly all these matters. Certainly it will be said that we have already had enough time.

But I may say that the Commission has now been sitting on these proposals for three years. The result is in any case no masterpiece, but the Commission has nevertheless been struggling for three years and, in my opinion, the main problems have not been touched upon.

Perhaps I may now say something that is not fully covered by my Group because we have not fully discussed it, although it has been discussed. If I interpret Mr Spénale correctly, he is demanding full budgetary powers with the restriction that he could envisage an arrangement in which, in regard to the final say in practical respects there could be a division of resources between the Council and Parliament, for example the Council would have the final say regarding certain operating resources and the Parliament would have the final say regarding other resources. Such a division would of course be possible, but I would warn against it because we would then leave the door open to manipulation.

No, in our view, one should actually proceed in a different direction. Full budgetary powers cannot be separated from the full legislative powers of this Parliament. I could not imagine at all the conflict which would arise if this house had to have the final decisive say in the financial resources, but had no say in the legislative powers. You can imagine what the result of this would be in the agricultural sector, in the energy sector and in development policy, in all these areas, a conflict which would break up the Community but would certainly not advance it.

If we therefore request full budgetary powers, Mr President, we must also logically request full legislative power. And now comes my question: does this Parliament actually want full legislative power? I say that I would not like it, not just because it cannot be obtained, but because it simply does not fit in with the construction of Europe. To put it another way: if we wanted to become the supreme authority over the Council—the supreme authority over the Council would be the final say—then our national Parliaments would of course not co-operate; the small states would be afraid that they would be outvoted by the large ones. We have therefore always proceeded on the basis that this Europe can only be constructed as a federation, and the national states would of course retain a decisive say in the legislation.

This Parliament, however, Mr President, has never made a secret of the fact that it does not wish to stand under the shadow of the Council of Ministers, because this undignified procedure simply must come to an end. In this respect I fully share the views of the two rapporteurs, both

Aigner

for myself and on behalf of my Group. A second reading without a change in the law means nothing at all. In the Group I stated it more firmly, namely: the Council of Ministers would dispose of the second and a third and a fourth opinion or reading just as neatly and properly as the first reading. This would be something for the files but not a matter involving balance between the institutions.

If therefore this House does not wish to stand in the shadow of the Council of Ministers, the only answer is actually for the Council of Ministers and Parliament to have equal rights. This was our aim and our view of the constitution. Now my question to the Commission is as follows: are your proposals actually based on such a concept? If so, where is this apparent? If these are the first steps, all right, we can discuss these. But is this the aim of the Commission at all? Mr Spénale, you have rightly pointed out the special position of the Commission in relation to the ECSC equalization levy. Why has the Commission not then, in this case at least, allowed Parliament the final word on a matter which it does not need to discuss with the Council of Ministers but for which it can itself, on its own decision, transfer its financial authority to this Parliament or at least can share it with this Parliament?

The Commission proposes that in future, in the establishment of the levy, it should only be able to act by agreement with the Parliament. Good, but what is then to happen with the 100 million units of account of operating resources? No words are wasted on this, since we are asked just as little as the Council of Ministers does for the two other Communities. This is a point, however, on which one could ask about the principles which have guided the Commission in its ideas and proposals.

However, if I put forward the view—and I am coming to my conclusion or almost to my conclusion, Mr President, I apologise for exceeding my time—that the Council and Parliament are two organs with equal rights, then the question of resolving the conflict is of course plainly on the table. How is any conflict which arises to be resolved?—and there must be a conflict when parties with equal rights are concerned; if no conflict developed, there would be no life in this Community in Germany we have a Mediation Committee between the Upper House and the Lower House—perhaps I am now speaking too much from experience in the Federal Republic.

One could also envisage this type of mediation instrument in our Community. I could also personally imagine that in a conflict between the Council and Parliament, for example the

Commission itself could be used as an arbitration organ, as a Mediation Committee—with the consequence of course that for such a limited conflict, where there was no agreement with the Council, the legislative power could pass to the Commission, which we can still dismiss—and this is the strongest parliamentary right that a Parliament possesses. Even in this situation the stronger position in a conflict would certainly be ours. I am now speaking off the cuff. We have not discussed this even within the Group; it has only been touched upon. However, my question must be the following: what basic point of view has the Commission developed in these three years, now that it is submitting these proposals?

One thing we should say very firmly: irrespective of the form of the legislative power, the European ability to pay should never have a cheque drawn on it which only bears one signature. It ought to have two signatures, and one of them in any case must be that of the Parliament. Two signatures are needed.

I should also like to touch on a few further points.

President. — Mr Aigner, in what capacity are you speaking?

Mr Aigner. — (D) On behalf of my group!

President. — You were allowed ten minutes and you have already spoken for fifteen.

Mr Aigner. — (D) I was told fifteen minutes.

President. — Rapporteurs have fifteen minutes. Those speaking on behalf of groups have only ten.

Please conclude.

Mr Aigner. — (D) I am now coming to the end. I would only like to say that my Group is very much in favour of the own resources procedure, although it would have to be made clear how possible conflicts with the countries and with the national states can be eliminated. We in the Federal Republic, where there is also a division between Federal and Land taxes, know that there is a permanent conflict. The Commission would have to tell us how it endeavours to solve this conflict.

Next: the universal ability to raise a loan is a wonderful thing, but here again of course the limitation of the loan capacity of the European Investment Bank would have to be discussed.

Aigner

With reference to the European Audit Office: unfortunately the Commission's wording reads 'the European Audit Office which we wish to name thus' ... an audit body which we wish to name thus—no! Mr President of the Commission! The European Audit Office must not just be called thus, it must actually be a European Audit Office, that means it must have full powers of audit. It must be available to this Parliament as an instrument for its own discharge. It is very nice, when, for example the Commission proposes that the discharge in future will no longer be granted by the Council of Ministers and by Parliament, but that the discharge will be granted by Parliament alone. This is a wonderful formula. However, if we have no instrument for this audit, for the discharge, this right is of no use to us. It is then a retrograde step and not progress.

I should like to summarize: my Group welcomes this resolution by the Committee on Budgets. It considers this discussion to be the start of a preliminary debate.

My Group asks the Commission to enter into a genuine dialogue for a decision not only with the committees, but particularly with the Groups, because it seems to us that in the first place the question of the constitution of our institutions tomorrow is a political question and not a technical one.

Mr President I thank you for your generosity in allocating time.

(Applause)

President. — I call Mr Vals on behalf of the Socialist Group.

Mr Vals. — *(F)* Mr President, the remarkable explanations given by my friend Georges Spénale, Chairman of the Committee on Budgets, and the additional remarks made by the rapporteur, Mr Kirk, on behalf of the Political Affairs Committee make it possible for me to be brief. My Group unanimously supports the proposals put by the rapporteur of the Committee on Budgets. I shall therefore concentrate on other aspects in my comments.

I was inquisitive enough to look in the archives for a report which I had the honour to submit in May 1965 on proposals made in the budgetary field by the Hallstein Commission. I have found one paragraph in this report which seems to me truly prophetic: 'Parliament stresses that an essential condition for the establishment of a Community budget based on its own resources is a modification of the budgetary procedure laid down in Article 203 to ensure at European level the parliamentary control hitherto exer-

cised by the national parliaments in the budgetary field and consequently in respect of the guidance of economic development'. I was also inquisitive enough to re-read the proposals made at that time by the Commission and I regret to say that I have discovered a noticeable deterioration in the position adopted by the Commission, which has also been underlined by the Chairman of the Committee on Budgets, with respect not only to Parliament's attitudes but also to the decisions reached at the various Summit Conferences, from Bonn to Paris.

I regret to say that this deterioration seems to me to correspond to a deterioration in relations between the Commission and Parliament.

However, I shall try not to be unjust. I gladly acknowledge the efforts made by the Commission since it began its work in January 1973 and the difficulties that it has faced: new Commissioners, changes in the level of positions held by the most senior officials in its administration, innovations required by the accessions to the Community. I gladly accept that same effort has been made by the Commission in many fields. Perhaps Parliament is being unjust. The incidents which arose yesterday, about which you know, were not the outcome of a spontaneous reaction. They were the result of an atmosphere which I at least feel—and I am not the only—within this Parliament and in which we would very much like to see an improvement.

This is why the problem we are discussing will be a test for us. Everyone agrees to accept that from the moment Community resources cease to be controlled by national parliaments, it is essential that there be a representative, democratic organisation—which can only be the European Parliament—to take over the powers no longer held by our national assemblies. But from the time the powers of the European Parliament increase in the budgetary field, there must be a decrease in powers somewhere else. There must therefore be a decrease in the Council's powers, it cannot be otherwise if Parliament is to have new rights in this field.

I will put it to you very carefully: we have the impression that in this field you do not want to distress the Council, even slightly, and that you have not progressed any further than the proposals which were made at the Summit Conference in October of last year. That in careful terms is what the Chairman of the Committee on Budgets said to you. To put it a little more bluntly, we have the impression that you have made far too little progress in this connection. That is why my Group, along with the others, asked that there might be this introductory debate on an interim report. But if

Vals

the Commission should have nothing to offer during this debate, a number of members will have been justified in saying before the European Parliament's Bureau last Monday, 'but why have this debate? We will be having the substantive debate in September.' If the Commission does not modify its proposals, this debate will have served no purpose. And, Mr President, that will be a test for us where the atmosphere I have just mentioned is concerned.

From the Committee on Budgets, the Political Affairs Committee and soon no doubt from almost the whole of Parliament you will be hearing what we want in the way of budgetary powers. We hope that during the substantive debate which will open in September proposals will be made by the Commission, after of course the planned working party has done its work, so that there is no postponement of the date when modifications to the budget can be proposed to the national parliaments. In 1975 therefore this Parliament will be voting for or against the budget of the Community with real budgetary powers.

(Applause)

President. — I call Mr Durieux on behalf of the Liberal and Allies Group.

Mr Durieux. — *(F)* Mr President, on behalf of the Liberal and Allies Group I would first like to congratulate the two rapporteurs, Mr Spénale and Mr Kirk, on the objectivity of their reports.

The Commission's proposals on strengthening Parliament's budgetary powers have been awaited with impatience by our Assembly. They do at least have the merit of existing, of constituting a good basis for the procedure. This does not, however, mean that they can satisfy a Parliament that has become so very demanding and very critical as ours.

This is why it is satisfying that a public debate will be taking place with the Commission as of today so that it can in time improve its proposals before submitting them to the scrutiny of the Council, whose final approval must be given before next spring.

Since my arrival at the European Parliament, I have been struck by the progress made towards the construction of the European Community: a month does not pass without an important fund being created, without a common policy being outlined. At this moment for example the bases are being established for a Community Court of Auditors, thus meeting a requirement felt by us all and also frequently expressed by President Berkhouwer himself.

Participation in this construction, still incomplete but making continual progress, seems to me to be the most striking characteristic of our European work: we are conscious of accomplishing something which will affect future generations. But we must make an effort to speed up the development. This is why we will be asking the Commission later to amend its proposals, which seem to us very modest and at times misleading.

But to come back to the Court of Auditors, the true value of which is sometimes underestimated since the national bodies only allow it a retrospective right of inspection of the expenditure committed and actually effected by the national administrations. A principle of this kind—which would be equally important on a European scale—should, however, be considered in the light of the common policies which have been based on predetermined annual amounts. If the Court of Auditors discovered irregularities, it would be easy to take action on the automatic machinery so as to modify the policy concerned for the years to come. This would be one of the instruments which would allow guidance of Community activity which sometimes escapes the control of the governing agencies, among them the Council of Ministers. Such 'technostructures' lead to frequent 'summits', which alone are likely to eliminate deficiencies in the operations of the institutions. But a precondition is that the budgetary power exists, as Mr Spénale has just said.

We are also in favour of changes in the Community's own resources. The machinery now proposed by the Commission is simpler than that described in Article 201 of the Treaty, which implies that an indispensable condition for an increase in these resources is prior ratification by the Member States. A reform in this way seems all the more important since the creation of new European funds is being proposed at this time: a regional fund, an increase in the appropriations for the Social Fund. We will thus finally be turning the page on the practice of 'fair returns', which has caused so much damage to common policies.

I now come to the most important part of my speech, that is to say an appraisal of the procedure of first and second consideration. We naturally welcome the fact that the Council will come and give an explanation in open sitting of the controversial chapters before finally approving the budget. It will also allay the concern felt at the secrecy which surrounds the decisions of the Council of Ministers, even in the legislative sphere. We regret, however, that the Council still has the last word in this connection, but it does not seem reasonable to me

Durieux

to reject what has been conceded to us, even if it is not entirely satisfactory.

This modest achievement should be regarded as a springboard which can help us to get over the barriers separating us from true democracy. It would be a mistake to reject the principle of first and second consideration. Having been introduced, this practice—which does not entail any change in the Treaty—could be extended to other sectors and, to begin with, that sector of primary importance, economic and monetary union.

We could ask for the procedure to be improved so that it would be for Parliament to establish that its point of view was not shared by the Council and consequently to request the application of the procedure of first and second consideration, at a suitable interval of course.

Thus the decision would not be left to the discretion of the Council of Ministers.

In general, it seems to me that the principle of first and second consideration might be a new step towards increasing the powers of the European Parliament by, for example, a suspensory veto and a right of co-decision, which form part of legislative power. But it is pointed out to us that, contrary to this prospect, the prerogative of rejecting the 1975 budget as a whole is not included in the Commission's text.

We feel that the rejection of the budget by Parliament would be an *extrema ratio* and more of a theoretical than a practical nature, since achieving a quorum would be difficult. We also feel that it would not be advisable to change Article 203 since this could lead to a crisis as serious as the one in 1965. However, it would be a good idea if the range of instruments available to Parliament included the possibility of rejection, if only for its psychological effect. It therefore seems to us to be our right to ask the Commission to formally and unequivocally re-state the commitment made the day after the signing of the Treaty of Luxembourg, 22 April 1970, which played a dominant role when the national parliaments were urged to ratify that Treaty.

In conclusion, we must admit that the granting of a budgetary power limited to 3% of all expenditure is, due to the absence of legislative powers, somewhat misleading. In other words, the control of public finances depends more on legislative powers than on budgetary powers. I should like to stress the importance of Paragraph 10 of Mr Spénale's resolution, which the Commission should include in its proposals: when Parliament has the final say as regards the financial implications of any new measures,

it will be possible to leave the confines of 3% and achieve a more reasonable figure of about 10-12%. This will permit us to look at the future with less apprehension and to develop without undue haste towards effective control of operational expenditure, which can only be achieved through legislative power.

From this point of view, it seems to us important that a working party, a joint committee, should be set up today. It should be made up of members of the European Parliament and representatives of the Commission and would be instructed to put forward suggestions with a view to drafting new proposals in the light of the present debate. Parliament as a whole would be called upon to give its opinion of the results of this joint work at the September part-session.

The Commission can therefore play an important part in having our legitimate rights recognised. We have always been on its side at critical moments. This will continue to be the case. But it must realise that it cannot restrict itself to supporting our claims only when it benefits by them itself. Consequently, it should amend its proposals to take account of what has been said today.

Without wishing to issue a warning or an ultimatum, we urge the Commission to profit by today's experience and the tabling of the motion of censure last December. We cannot tolerate much longer a situation in which the respect shown this Parliament is but a simple formality and no more than formal.

Similar reasoning also applies to the Council of Ministers. It is true that we do not have any means of exerting lasting pressure on the Council. This is regrettable, but we are aware that the Council of Ministers cannot ignore our claims, which are just and, all in all, very moderate.

(*Applause*)

President. — I call Mr. Pounder on behalf of the European Conservative Group.

Mr Pounder. — During the admirable debate which we have had thus far on Mr Spénale's most important—albeit interim—evaluation of the report of Mr Cheysson, we have had two analogies brought to the notice of Parliament. The first was by my colleague, Mr Kirk, who drew the bridge-playing analogy, and the second was by Mr Aigner, who drew the analogy of manning the barricades. If you come from Northern Ireland, as I do, the question of the barricades has a somewhat familiar if tragic ring.

Pounder

But I believe that both analogies apply, and that we must start with round-table discussions to see what form of agreement we can reach but that, in order to underscore the seriousness with which Parliament views the question of increased budgetary powers, it is perfectly reasonable that we should sound the note—albeit as a reserve position—that if necessary we are prepared to go to the limit to see that we secure the powers which we believe are our entitlement. For that reason I find myself in support of Mr Aigner's analogy.

I have found particularly interesting so far the extent to which there has been a zoning-in or unanimity of approach towards the suggestions outlined in Mr Cheysson's immensely important declaration. I believe that the report which he presented on behalf of the Commission is one of the most important documents ever to come before Parliament, because it not only concerns the vitally important issue of and the development of the powers of Parliament but, equally, it is open-minded to the extent that the Commissioner is anxious as far as possible to take account of and to incorporate the views expressed in this Parliament. For that reason, I believe, we are dealing with an immensely important subject.

Mr Spénale, whose expertise in budgetary matters is widely and properly acknowledged, has fought hard for many years to increase the budgetary powers of this Parliament and everybody in the House owes him an immense debt of gratitude. In presenting his report he underlined that this is an interim matter and that, in fact, we are having our first run round the course. In my short intervention, therefore, I shall not go into the detail of one or two points in Document No 1000—the Cheysson report, if I may so call it—because we may have an opportunity of considering that at a later date.

Rather I wish to take the point which I believe has already been hinted at that although it may be very dull for our constituents at home to think of our spending several hours discussing budgetary matters, nevertheless the build-up of the budgetary powers of the Parliament is the cornerstone of the whole edifice we are building for the future of Parliament. If we fail this hurdle the future is rather bleak.

To take a historical reference from my own national Parliament at Westminster, over the centuries it grew from a body which initially was concerned only with raising revenue for the King's expenditure and extravagances. From that humble beginning it developed in due time to an extremely powerful legislature. I hope that it will not take the European Parliament

several centuries to become a powerful legislature. The point I seek to make is that by starting at a monetary level we are starting at the right level in order to build up and strengthen Parliament.

I detected both in Mr Spénale's report and in the excellent speech he made earlier this afternoon a thread of disappointment that the proposals do not go further. This is a disappointment which I can understand and appreciate even if I am not in complete agreement with that feeling and I will explain why. Every Member of the House is an elected politician. To that extent he must realize that politics concerns seeking what is possible. Therefore, while in due course we are obviously anxious to secure the maximum powers for Parliament, and as soon as possible, let us concentrate on realistic targets which are reasonably attainable in the short term and then let us go on from there in due time.

I am particularly interested in the reference both in Mr Cheysson's report and in Mr Spénale's report to the Audit Office. I echo very strongly the sentiments expressed by Mr Kirk and Mr Aigner on the importance of establishing the relationship between that Audit Office and Parliament. There can be no shadow of doubt that it must be totally accountable to Parliament. At a later stage there is an amendment tabled to cover that point which I hope will be acceptable to the House.

Having said that the Office should be accountable to the House, let us not confuse that with the question of its absolute independence in the execution of its duties. It would be the height of nonsense if the Audit Office were to be other than entirely independent of the House, the Commission and indeed the Council of Ministers.

What I believe is very important is that some form of arrangement should be written into the draft statute in due course enabling Parliament to ask the Office to examine certain specific issues which may be of concern and interest to the House. That I believe is something of considerable importance.

The question raised by Mr Aigner regarding the conciliation machinery, and his reference to the conciliating committee which exists between the two houses of his own national parliament, is in my view very important. The national parliaments from which we all come will, for the foreseeable future, jealously try to guard their rights. Inevitably the Council of Ministers will give expression to the feelings of their national parliaments and will seek to reflect that spirit of the guarding of national rights. If the European experiment is to succeed, there

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must be a reduction in the jealous guarding of these rights. If we are to strengthen the powers of the European Parliament it is almost inevitable that this must be done at the expense of the rights currently exercised by national parliaments. But this is not something that should daunt us or concern our national parliaments. It comes back to the budgetary issue that where revenue is collected in respect of monetary activities or expenditure is incurred in giving effect to Community decisions, then those fiscal powers are properly the concern of the European Parliament. It would be wrong for us to consider Community revenue and expenditure and then talk in terms of its control being in national parliamentary hands. That seems to me a nonsense.

I very much support the concept outlined in Mr Aigner's paper presented to the Committee on Budgets a few weeks ago of a flying squad of inspectors. When we come to the final debate in September on these proposals, I hope that this may be embodied. Speaking for myself and, I believe, for the European Conservative Group also, I assure Mr Aigner that he will have our unqualified support should he care to press that point further, because it is obviously a matter of very considerable importance and urgency.

I conclude as I began, I believe Mr Cheysson's proposals present us with a very good basis on which to work. I agree they may not have gone as far as some people would wish, but let us be realistic about this. If within the next few months we are able to get everything embodied in the document through the Council of Ministers and therefore in operation, we will have taken a major step forward.

I therefore commend Mr Spénale's report and thank both him and Mr Cheysson for the very valuable work they have done in trying to give Parliament the teeth we all think it should obtain quickly.

(Applause)

President. — I call Mr Kirk on a point of order.

Mr Kirk. — Mr President, would you be kind enough to state your intentions regarding the remainder of business to be dealt with tonight?

President. — I shall now call two more speakers, Mr Fabbrini and Mr Christensen, after which Mr Cheysson will reply on behalf of the Commission.

I note with regret that our attempt to avoid a late-night sitting has been unsuccessful. We shall have to break off until 9.00 p.m., when

we shall continue with Mr Spénale's report. This may not be such a bad thing after all, since Members now present will be able to express their views on the no less important matter of economic and monetary union.

In point of fact, a late-night sitting was scheduled for today in any case.

I call Mr Fabbrini.

Mr Fabbrini. — *(1)* Mr President, ladies and gentlemen, in our Assembly we have discussed this matter, which has a long and tortuous history, at such length that it is now almost impossible for anyone of us to say something new or original. We therefore have to repeat ourselves and I hope that you will excuse me if, on this occasion, I make points which I have made previously. As far as possible, I shall stick precisely to the point and just outline our group's opinions. I will try to be brief. First, however, I must recall that, after the ratification of the Treaty of Luxembourg, which we opposed for the reasons explained by Mr Spénale, we in this Parliament, from the very beginning, adopted a clear, firm and coherent position, strongly, even harshly, criticizing the tendency noted in this Assembly, e.g. during the discussion of the resolution of July 1972 and the motion of censure in December of the same year, to reduce its effectiveness as critic and catalyst by seeking compromises which we, now and on other occasions, judge to be useless and inconclusive, if not humiliating, for the Parliament.

As in the past, we approach this interim debate on the Commission's proposals with a coherent attitude. I would like to say that, if we wished only to make a bon mot, we could say that, after a long wait and so much anxiety, the mountain has laboured and brought forth a mouse because, in our opinion, you would need a magnifying glass to find anything in the Commission's proposals which genuinely and effectively increases our Parliament's powers.

I also want to say that I agree with the Commission's proposals dealing with means of controlling the Community's revenue and expenditure and, in this framework, apart from the odd detail, with the proposals to establish an Audit Office. On both the national and the Community level, we have always agreed with establishing instruments and fixing precise rules of control to ensure the most honest administration of the resources at our disposal and our opinion has not changed. However, we must agree with Mr Spénale, who, in his written report, stresses that the emphasis on controls in the Commission's proposals partly, although perhaps unintentionally, masks the fact that

Fabbrini

the Commission's proposals on the basic matter of real and effective Parliamentary participation in budgetary decisions are significantly less substantial. This seems particularly true since, we must point out, the proposed increase in controls merely meets an obvious need which, in any case, was already de facto met inside and outside our Assembly.

Besides, as I have already said, we regard the Commission's proposals as the mouse born of the mountain. In fact, though previously some members of the Committee on Budgets, had doubts on this matter, I do not think that anyone would now deny that, with the introduction of own resources, in the Treaties of Luxembourg, definite powers have been transferred from the national parliaments to the Council of Ministers.

The only procedure proposed in the Commission's document intended to counteract this reduction in the powers of the national parliaments is the second reading, which would require the Council to report to the Parliament to explain why it had diverged from the proposals made at the first reading.

I do not believe that this procedure substantially changes anything, i.e. that it in any way, increases the powers of the European Parliament.

As I think Mr Spénale said in his introduction, this procedure more or less leaves things as they are. In our opinion it is not realistic to imagine that the Council of Ministers could change its previous positions at the second reading, other than in completely marginal aspects, because we all know what an exhausting task it is for the Commission and, in particular, the Council to prepare decisions since they always represent compromises which are the hard-earned fruit of difficult negotiations. Therefore we maintain that it is not realistic to expect the Council of Ministers to revise in the light of Parliament's opinion, the positions so laboriously reached and hence that the proposed second reading does not in fact increase Parliament's powers.

In our opinion, the most serious fault of these proposals, as has already been pointed out by other colleagues in this debate and, previously, by Mr Spénale, is that in them the Commission has gone back on the attitude it expressed in April 1970, when, with the Parliament, it held that it would be right to give our Assembly the power to reject the budget outright, obliging the Council to prepare and submit new proposals.

In the document before us, it is not possible to find any trace of the Commission's position of three years ago. Perhaps Mr Cheysson will repeat here, as to the parliamentary committee, that the Commission of the European Communities does not deny its past commitments and that still subscribes to the aim mentioned above. But it is impossible not to stress that, in this Assembly, we are once more being fobbed off with mere words. In fact, the moment the possibility of actually realizing these proposals arises, the Commission begins to behave evasively and takes a line less advanced than that represented by its position in 1970.

We find the argument exhorting us to proceed with caution and political realism in this field completely unacceptable. In other words, we do not think that it is right to conduct this argument in the context of the general economy of the European construction, as the Commission's report says, i.e. in the framework of the existing institutional balance. We are in fact convinced that it is precisely here, in making this affirmation and remaining within this framework, that the Commission shows its most serious weakness. Here, I do not think we are dealing with political realism but with quite another thing (this is intended to be an overall judgment on the Commission's proposals). We are faced with a new confirmation of the Commission's position of total subordination to the Council of Ministers in a political matter of fundamental importance, i.e. Parliament's budgetary powers, in the general framework of the Community's eventual democratization.

In the conflict, begun a long time ago, between the Parliament and the Council, the Commission has on this occasion (and not for the first time...) sided with the Council against the Parliament.

We will fulfill our obligation to take note of it. In any case, we are not surprised by what has happened: we did not expect much more from the Commission although in the past it has adopted more advanced positions than those expressed today. So if we expressed surprise at what has happened, we would be being insincere, because, in reality, we did not expect more from the Commission. Rather we expected something more from the Parliament, in particular that it would not fall once more into the debilitating tendency to make useless and inconclusive compromises of which I have already spoken, but would instead adopt its own position with great clarity, which we think could and should be those expressed in the resolution expounded on behalf of the committee by Mr Spénale and of which we are, in general, in favour, except for a single point.

Fabbrini

I refer to point 4 of the resolution which we think should be reconsidered and revised when the Parliament finally adopts a resolution on this problem next autumn.

We basically maintain that the proposed amendment to Article 201 of the Treaty tends to subtract new powers from the national parliaments in the matter of their own resources to transfer them to the Council; even though the resolution continues that the Parliament insists that it should have the last word in this matter.

We do not agree with this point. If we vote on this resolution, I would ask that the voting should be divided into separate parts. However, despite our opposition to this point, we will give the whole resolution a favourable vote because we would like—and we always will, to make our contribution to any measure which represents a step forward towards the democratization of the Community.

President. — I shall now call Mr Christensen, who is the last speaker listed, after which I shall suspend the sitting, since Mr Cheysson has asked to be able to speak at the beginning of the late-night sitting, i.e. at 9 p.m.

Please do not, however, leave the Chamber after Mr Christensen has finished speaking, as I have an important announcement to make concerning the continuation of the proceedings.

I call Mr Christensen, whom I would ask to be brief.

Mr Christensen. — (DK) In view of the late hour I shall endeavour to do as the President has asked and make my contribution as short as possible. Otherwise, the discussion that has taken place gives plenty of scope for comment—far more than time permits.

I should first like to say that, generally speaking, I can support the observations made by Mr Spénale in his report and which have been enlarged upon by Mr Kirk. I should also like to say that, as a Member of Parliament, I am a little bit disappointed; I really am bound to say so. As far as I am concerned, it has got nothing to do with the heat. Mr Vals alluded to the climate. He could have been alluding to the rather tropical climate we are having here. But I was quite certain that he was referring to the political climate in this House. It has been the same as long as I have been a member. I am sure it was not my fault. At all events I have noticed a fairly marked tendency in all matters—and now also on this budget question—to make the Commission the whip-

ping boy in matters for which the Commission is not responsible.

There are parliamentarians sitting here who, during this budget debate, have been dragging the whole question of legislative powers into the discussion, and threats have been made—as indeed they have been made the whole week—to give the entire Commission the sack. The barricades are up and something has to happen now. I am beginning to think that people have been crying ‘wolf’ so many times that the Commission can remain quite unmoved by these threats. As I see it, many of these remarks are simply empty words.

I do not think it is worthy of Parliament to continue in this fashion. There are those who want to introduce the question of legislative powers into this discussion on the budget. Mr Aigner pointed out that there is clearly a problem here and he pointed out that he did not want at all events to deal with anything beyond budgetary powers on behalf of the Christian-Democratic Group. It was therefore interesting to note that Mr Aigner omitted to take a very good chance yesterday when there was a possibility of discussing legislative powers and a new structure for this Parliament on the occasion when the President of the Council was here to answer a question about European Union which, according to plans, we shall have built up by 1980. Instead, he used the time for a domestic German quarrel. I should at the same time mention that I was ashamed that the time should be misspent in the same way for a domestic Danish quarrel about what happened at the time of the Danish referendum about our joining the Common Market.

At this point I would like to say that I think the Chairman of the Conservative Group is very right when he says that if we could only take full advantage of the possibilities the Commission here affords us, this Parliament will have come a long way as regards its powers, its parliamentary powers and its budgetary powers, which are fundamental to a parliament.

I should therefore now like to ask Mr Cheysson, or whoever may now be answering on behalf of the Commission, if I am right in supposing that the topic in question has much deeper implications than has been apparent in discussions here.

If we look at paragraph c on page 5 of the Commission's document No. 1000, which I should now like to read out with the President's permission, even if the time is beginning to run out, we see: ‘The Commission is pleased that the Parliament, pursuant to Article 203, should have the last word with regard to the approval

Christensen

of certain expenditure. It recommends that this category should gradually be extended to include all expenditure which does not result automatically from previous long-term decisions. The Commission will abide by this principle in distinguishing between the two categories of expenditure for the purposes of budgetary proposals and debates!

As I understand it—and I should be glad to hear from the Commission's representative whether my interpretation is correct—paragraph c on page 5 of the document implies that, generally speaking, the only budgetary powers which this Parliament cannot have in the future are, as far as I can see, those deriving from agricultural arrangements, since those derive in turn from national legislation.

As far as I can see, this can be interpreted—and I should like to have this confirmed by the Commission—to mean that budgetary powers can be extended to include development aid, the Social Fund, the new Regional Fund and anything similar that may be created in the future.

If this is correct, we have wasted a great deal of time today in discussing things at the level at which we have been doing so. For we have come a very long way, if my understanding of paragraph c on page 5 can be confirmed. And I should very much like to have such confirmation, if possible. For in that case I believe that this Parliament has acquired a parliamentary power which it has long been without. I should, then, like to come back to this question when we discuss proposed amendments in which it is stated that there should also be legislative powers.

President. — The first part of our debate on the strengthening of Parliament's budgetary powers is closed.

Mr Cheysson will reply on behalf of the Commission at 9 p.m.

17. *Change in agenda*

President. — Many Members have asked that the general debates on Mr Spénale's interim report and Sir Brandon Rhys-Williams' report be finished this evening, including consideration of the various amendments, but that the votes on the amendments and motions be taken tomorrow morning at 10 o'clock.

I therefore propose that we proceed as follows:

this evening:

- completion of general debate on Mr Spénale's interim report;

- consideration of amendments
- statement of voting intentions
- debate on Sir Brandon Rhys-Williams' report
- consideration of motion for a resolution
- statement of voting intentions

tomorrow 10 a.m., at the beginning of the sitting

- vote on amendments and on motion for a resolution contained in Mr Spénale's report;
- vote on motion for a resolution contained in Sir Brandon Rhys-Williams' report.

Are there any objections?

That is agreed.

The sitting is suspended until 9 p.m.

(The sitting was suspended at 1.10 p.m. and resumed at 9.10 p.m.)

IN THE CHAIR: MR DEWULF

Vice-President

President. — The sitting is resumed.

18. *Strengthening the European Parliament's budgetary powers (cont.)*

President. — The next item is resumption of the debate on Mr Spénale's interim report (Doc. 131/73).

Before calling Mr Cheysson, I have two remarks to make.

I am a little disturbed by the fact that one of the larger groups in this Parliament has so far no speaker listed nor Member present for this very important debate. Therefore, in order to avoid any misunderstanding tomorrow morning when we take the vote, I ask the President's staff to point out once again to the group in question the decision that has been taken, namely that we shall finish the debate today and that the voting will take place tomorrow morning without comments or statements. I wish this group to be informed so that we do not become involved tomorrow morning in a procedural debate on the decision taken.

Secondly, I would stress that this debate, so ably introduced by the rapporteurs, is extremely important. I therefore inform the rapporteurs, the President of the Commission and Mr Cheysson that they may ask to speak at any time in

President

order to clear up any doubtful points or misunderstandings. I think we all agree that Parliament and the Commission are the two major partners in the institutional development of the Communities.

Does anyone wish to speak on a procedural matter?

We shall now continue with the debate itself.

I call Mr Cheysson.

Mr Cheysson, member of the Commission of the European Communities. — (F) Mr President, 'I should emphasize first of all the importance and the urgent need of a real strengthening of the role and the powers of the European Parliament as the powers of the Community increase'. 'If the Communities are to develop and, in particular, if their powers are to be extended, the Parliament must be given progressively wider legislative powers.'

The first of these two quotations is the first sentence of the report which the President of this Assembly presented to Parliament on 18 June and the other is the second sentence of the introduction to the Commission's report on the budgetary powers of Parliament. The two sentences are almost identical.

I have started with these two quotations to avoid misunderstandings. If there is one sphere in which the goodwill of the Commission cannot be called into question, it is this one—the strengthening of the powers of Parliament.

The Commission would like to see a rapid strengthening of these powers. It is well aware of the fact that the building of Europe, as it has begun, should receive social and political sanction, support and criticism, and that these will be forthcoming principally through the intermediary of this Parliament.

It should not come as a surprise to anyone to learn that this Commission, like all of its predecessors, is very close to Parliament in its view of these things, since there can be no doubt that, in the balance of forces shaping the institutions at present, Parliament and, more modestly, the Commission, are after a fashion representatives of the forces of European construction.

I felt I had to say this at the outset to avoid the risk, at a more general level, of any doubt about our intentions.

These, like those of previous Commissions, are perfectly clear; they have been affirmed again and again. It is not mere chance that, at the very beginning of our introduction, there is a phrase which the President of the Assembly

thought it useful to put, in almost the same form, at the beginning of his own introduction to a report which he submitted to you.

What does this general principle signify in the area which has been the subject of our debates today, i.e. the budgetary powers of Parliament?

There will be no point in my spending a long time trying to show that, if we go to the root of the problems of budgetary powers, we find ourselves in the field of legislation. This has been said brilliantly by many speakers particularly Mr Aigner, and it has been affirmed over many years in numerous reports by legal experts and, more important still, by politicians and above all by parliamentarians.

The granting of legislative powers is a prerequisite to the granting of true budgetary powers to the Parliament. It would be wrong not to admit this from the beginning. It is important to bear this principle in mind because we hope that one day we shall be able to tackle the problem in its broadest context, i.e. that we shall be able to examine in detail the functioning of the Community institutions, the entire Community system and the division of responsibility between the institutions. When this happens we shall be able to tackle all aspects of the problem of budgetary powers.

Such then is the principle, and no one here would dispute it. I would like to assure the Assembly that the Commission is fully conscious of it and that, on this point, it is in no way inferior to the Commissions which have gone before it.

A date has now been fixed by the Heads of State and Government (in the declarations published after their talks in October 1972), and we know that before the end of 1975 the various Community institutions will have to put forward proposals on European union.

The Commission will be the first to fulfil this duty. This has been its promise in the past and it is still its promise now. We shall put forward proposals in accordance with the wishes of the Heads of State and Government and in accordance with the wishes of us all. I refer of course to the future building of European union, which will necessitate a review of all the problems of Community equilibrium. We affirm this clearly from the first page of our document. No one can call our promise into question. For this reason I am very grateful to one of the Members of Parliament for suggesting that an amendment should draw attention to the fact that this Committee, when the document comes, will have to submit proposals concerning the legislative powers of Parliament.

Cheyssson

We could have confined our report to the few remarks I have just made and then returned—given the necessary time, we could have done this just as completely and just as brilliantly as previous Commissions—to the affirmations concerning the relationship between budgetary powers and legislative powers.

On 8th September 1972, the previous Commission stated that it was not possible to strengthen Parliament's budgetary powers appreciably without increasing its legislative powers. A short while ago one of the Members of Parliament recalled that the same remarks had been made in 1965. I believe that numerous declarations have been made before on the same subject.

We are fully aware of these but should we confine ourselves simply to this declaration of principle? Should we not examine the practical results of these brilliant and authoritative declarations? While retaining the right to present the problem as a whole, should we not try, now that a time limit has been set (and the time limit will be observed) to take a step in this direction straight away or even, if possible, to go some way towards achieving our goal?

The Commission believes that it would be failing in its duty if it contented itself with declarations and if it failed to seize the unique opportunity presented, as Mr Spénale, the rapporteur for the Committee on Budgets, has very rightly observed, by the fact that the 1975 budget is the first true budget of the Communities and that, as a result, it should be possible even at this early stage to make considerable progress without in any way renouncing our right to return to the overall problem within the framework of the legislative proposals which will be made with a view to European union.

It was in this spirit that we thought it right to make concrete proposals, some of which, as I shall explain in a moment, may already be close to the final solution, whereas others will for the time being be limited because the system at present does not give any legislative power to this Assembly.

The motives behind our proposals were twofold.

First, it was our opinion that there was no reason why there should not be immediate complete supervision of the Community institutions. It is our impression, to quote the report presented by a Member of Parliament at the beginning of the year, that this supervision 'may constitute one of the most potent forms of Community action'.

Secondly, we wanted to assure Parliament that it would be given the time and the opportunity

to express its opinion on any important decision concerning the budget.

This, then, is our plan. I shall just go over the principal elements. I do not propose to go into the details, since I have already explained them to the various committees.

As regards supervision, from the first time I appeared before this Parliament I realized, as a result of the questions levelled at the Commission, that control over public funds was insufficient; some people said 'shocking'. This I am ready to admit. From the moment when the public funds placed directly at the disposal of the Communities represent their only resources, this control must become the normal control of a democratic system.

The Assembly has decided, in principle, to create a Parliamentary Accounts Committee. The Commission is pleased about this and proposes, in its own document, the creation of a Court of Auditors. The choice of words is not very important, except that we aimed to show that we wanted an independent body endowed with considerable authority and with the necessary powers.

It should be endowed with considerable authority not only vis-a-vis our own institutions but also vis-a-vis the national governments through which part of our expenditure is at present made.

What is needed therefore is a body recognized, not only by this Parliament and by the Commission, but also by the national Governments, as a distinguished body endowed with this authority.

It is for this reason that we propose that the basic structure of this Court of Auditors should be provided for in the Treaty, as is the case with the Court of Justice, and that the statute and the financial regulations relating to this Court should be adopted by the Parliament as well as the Council of Ministers.

This statute will of course define the conditions of the relationship between the Court of Auditors and the Parliament since the Court is designed to give the Parliamentary Accounts Committee and the Parliament itself the right to inspect all operations of the Communities and to be fully informed on them.

Thus, the amendments proposed today by several speakers, and the observations made in particular by Mr Pounder and Mr Aigner, accord exactly with the Commission's aims. Our intention is that the Parliament should receive detailed information on what is done in time, as one of the Members of Parliament

Cheysson

put it, to question the Commission of the Council of Ministers on points of Community action.

For this to be effective the time limits will have to be short and we believe that they should be laid down in the regulations which you adopt.

Finally, the power to give a discharge will be vested in the Parliament.

I come now to the problem of the budget proper.

What is the budget of the Communities in a given financial year? About 95% of it is the direct result of basic decisions taken previously.

Before considering how each annual budget will be adopted, therefore, it is important to be sure that this Parliament will take an effective part in the adoption of the fundamental decisions which will then form the basis of Community policy for several years.

Leaving aside for the moment the annual budget, let us consider the decisions whose effects extend over a number of years and which form the basis of 4, 5 or even more budgets.

It was in this connection that we introduced the proposal for a 'second reading' procedure. (I agree with Mr Kirk that this expression is not a happy one.) We introduced it at this point because it is complimentary to the general proposal already made by the Commission that all basic decisions taken as from now should form the object of two readings.

We are told that this 'second reading' procedure is inadequate. This is what the rapporteur of the Committee on Budgets wrote in the draft resolution submitted to the Parliament.

I would like to draw attention to the fact that the expressions used concerning this 'second reading' were not exactly the same a few years ago, since Mr Spénale declared, in February 1970, that the thought it 'desirable, while waiting for legislative power to be granted, for the opinion of Parliament to be required for any normative decision affecting the budget'. However, let us leave this point.

As far as we are concerned, 'this second reading' procedure is much more than, as one of the Members of Parliament said, 'just a little extra'.

In reality, we are suggesting that a proposal from the Commission coming to Parliament, as is the case at present, and forming the object of an opinion of Parliament or perhaps of a modification at Commission level, as is the case at present, should go before the Council, but not so that the Council can take a final decision, as is the case at present. The Council would in

effect be obliged, if it departed from the opinion of Parliament, to return to Parliament and explain. You already know the procedure so I won't go into it in any more detail.

However, I should like to say that this goes some way towards rectifying a situation which I've already heard deplored several times in this Assembly, namely that fundamental decisions affecting Community action are taken in secret. Is this not important, or is it 'just a little extra'?

If our proposal is accepted, the Council of Ministers will have to come before this Assembly and explain its reasons for not adopting the opinion of Parliament. And it will have to do this before the decision is taken, whereas at the present it gives its explanations after the decision has been taken and published in the Official Journal. It is before the decision is taken, while there are still a few weeks to go, that the Council of Ministers will have to explain itself. Each one of you, each of your groups, will be able to question the Council of Ministers on its reasons for not following the opinion of Parliament.

This will be public, in the presence of a press which is always busy with the statements of this Parliament. This is an absolutely fundamental part of democracy.

The explanations will be made before you, gentlemen, who are not only members of this Parliament but also members of your national parliaments. Now, although Europe is not today a democratic state, it is made up of nine democratic states, and each of you has the opportunity to make himself heard within his own system provided time and information are available.

Is it of no consequence, then to make a proposal for a procedure in which no decision can be taken without a public debate here and without your having the necessary time to voice your opinion, either publicly from Strasbourg or in your own country?

In our opinion the matter is one of great importance, and this has been confirmed by the fact that when the President of the European Assembly himself made suggestions on what could be done rapidly to strengthen the powers of Parliament generally, he proposed, in point a 4) of his document of 18 June, the very procedure about which we have been talking. Perhaps then it is not as insignificant as people make out.

So much, Mr President, for the participation of this Parliament and the Members of Parliament, and for the progress of democracy, in the discussion of the major decisions, the decisions affecting the budget.

Cheysson

We come now to the budget proper. After hearing the debates today I wonder if perhaps there has not been a grave misunderstanding or whether the proposals of the Commission were perhaps presented in such a way that they weren't understood. We said that we thought, like all the speakers I have heard today, that the areas in which Parliament has the last word should be rapidly extended.

On this point, we have not adopted the same wording as that used in the report of the Committee on Budgets. In fact, as a Member of Parliament observed a short while ago, our wording goes much further in many ways than that proposed by the Committee on Budgets since our proposal is that expenditure which does not result automatically from regulations in force should rapidly be brought within the field in which Parliament has the last word.

This, Mr President, applies to old decisions, as well as to new ones.

To our mind it is desirable that when the time comes a certain number of fundamental decisions of the past, which are at present in force, should give rise to annual budgetary items which will fall within the framework of those affairs on which Parliament has the last word.

It will probably be asked why we have not given clearer expression to our thinking.

In my view, some of the excellent remarks which we have heard today constitute the best possible reply. The problem of the last word is one of considerable complexity. Mr Aigner raised many points a short while ago. He said that he was by no means certain that the last word should necessarily rest with Parliament alone since the Council of Ministers, as representatives of the States, should also play a part

He made many other points which go a lot further and which I found were most interesting.

In his resolution, Mr Spénale adopted a certain wording for paragraph 10. We adopted another and we had our reasons for doing so.

I do not think anyone here today is yet in a position to say exactly how the problem of the last word should be treated since the subject is one of such great complexity.

For this reason, Mr President, the Commission warmly welcomes the decision of the Committee on budgets and the Political Affairs Committee to set up a working group.

It would give us great pleasure to participate in the activities of this working group if we

were invited to do so. It was in the same spirit that we participated in the work of the committees and adopted the present version of the paragraph concerning the last word, a paragraph which, I repeat goes further on certain points than that proposed by the Committee on Budgets.

We do not say that this is the best wording. We do say that we have not yet found anything better and it is for this reason that we submitted it to you.

We come finally, Mr President, to the controversial right of total rejection.

'How do we explain the absence of any indication concerning the consequences of a total rejection?

My reply is this. Because there is no need to make any provisions at all.'

This exchange took place between Mr de la Malène and Mr Spénale two years ago during the debate on the ratification of the Treaty of 22 April in the National Assembly.

In effect, the right of total rejection, as conceived in this Assembly, is the result of the texts in their present form. We did not think it wise to highlight this aspect of things, especially as preceding Commissions had already said that they would support the point of view of Parliament if the question ever arose.

We did not think it necessary to dwell on this for a reason which has already been mentioned by several Members of Parliament. We do not think that, in presenting a document of this type, we should class among the most likely hypotheses those relating to an institutional crisis of extreme gravity.

It was for this reason that we did not think it necessary to include a promise in our memorandum on a subject on which it was not necessary to add anything at all. However, I do not doubt that if this Assembly, when drawing up its final resolution, thinks fit to recommend that the Commission should adopt a position on this point, the Commission will consider the recommendation favourably.

I have little to say on the question of resources since the Committee on Budgets, the Political Affairs Committee and the speakers have declared that they were pleased with the Commission's proposals.

I shall not dwell on this point, therefore, except to say, once more, that the contrast noticed by many speakers between those parts of our proposal which they found for the most part acceptable and those parts of our proposal

Cheysson

which seemed to them incomplete can be explained very simply.

At the present time, since the Commission does not propose to bring up the problem of legislative powers, we are limited in our legal proposals where the transfer of legislative powers is concerned. On the other hand there are no limits to our proposals in cases where the problem of legislative power does not enter directly into the question, i.e. in matters concerning supervision and resources, where the powers of Parliament can be expressed in political terms and not only in legal terms.

We shall not, however, fail, when the time comes, to adopt an attitude which will probably be similar to that we have adopted in the past, since the analysis of the situation was faultless and still is.

These are our proposals. They are not perfect, we are sure they can be improved and we are anxious to contribute to the efforts of those Parliamentarians who have the necessary time for a study which is difficult in many aspects and profoundly complicated from the legal point of view.

From my own point of view, I was very pleased to be received several times by the two relevant Committees. Perhaps tomorrow we shall have the honour of being invited by this working group. Thus, I think that in September the Commission will be able to give precise answers to any questions put to it. When the Parliament adopts its final resolution, this will be studied by the Commission, as the President has promised several times, and our proposals will be modified.

However, to modify our proposals beforehand would make the debate in September valueless since we would not be able to take it into account in our amendments.

We should like to participate in your examination of the problem so that we shall be able to reply fully to all your questions in September and the Parliament will be able to adopt a final, written, precise, detailed and, I am sure critical, attitude on this important subject. This will then facilitate the re-examination we desire.

In conclusion, it was our wish that you should see that we were realists. We could, I repeat, have adopted a theoretical attitude to all the problems and in doing so we should not in any way have been lagging behind in terms of what has been done in the past. However, realizing that previous theoretical declarations had not resulted in any progress, we thought it best to try to stimulate concrete, practical

results in the various fields which I have mentioned.

I believe that if this goal is achieved progress will have been rapid, since everything has to be done by autumn 1974.

I would ask you, therefore, before judging us, to wait and see whether our method gives results.

(Applause)

President. — I call Mr Spénale.

Mr Spénale, rapporteur. — *(F)* Mr President, I should like to thank Mr Cheysson for his intervention and for the spirit behind it, since it was up to him to explain and defend the Commission's proposals, which indeed he did and most skilfully. But at the same time, he is open to the offer of cooperation made by our Parliament with a view to the formulation of proposals which, in our opinion, would be better.

Having acknowledged both the excellent presentation and this spirit of cooperation, I must take up two points in the theory he has defended. This is all the more necessary since a number of my colleagues seemed to be hesitating a little also and perhaps did not completely understand our position on, firstly, the problem of 'second reading' and, secondly, the problem of the last word on new revenue.

Problem of 'second reading': Mr Cheysson, whose archives are excellent, affirms that in 1970 I declared that "second reading" could be useful for any normative decision affecting the budget.'

Yes indeed! It is perhaps desirable but that does not mean that it is sufficient. I would add that this concerned the transition period and we are now arguing about the final period. If you tell me that I must say that something is sufficient in the final period because I said that it was sufficient in the transitional period, we are on different ground. That is the first point.

As for the arguments which you put forward in favour of 'second reading', I must say, on behalf of my colleagues, that I am not against the principle of 'second reading' in general and in areas which do not come within the special responsibility of the Committee on Budgets. In 1975, we must have in the budgetary sector a power which is no longer merely advisory. In the areas where our power is still purely advisory, then let us be offered the sop of 'second reading', I leave it to other committees more competent than mine in this area to make their pronouncement. As a member of the Parliament, I would take a stand on this when the time came, but at the moment I am speaking as Chairman of the Committee on Budgets. In

Spénale

this capacity and within the particular area of budgetary decisions, after 1975, that is to say the area of own resources, I continue to say that this procedure is insufficient, even if all the advantages which you have listed—and I wish to contest them—were absolute and indisputable. It would still be insufficient since it would leave us with an advisory power where we should find another.

Furthermore, you give the impression that I said that I wished the Council had listened to us. But we had already obtained that during the transition period. At present, Mr Cheysson, when there is a proposal for a regulation which entails expenditure, we receive a financial memorandum, we make our opinion known and the Council gives an explanation if it does not follow it. We now already have this procedure. We certainly need more than this in the second period. As for public debate, we have that already.

When you say that we shall have a debate before the Council makes its decision, I cannot see how this will be so.

Your text states: '... each time the Council wished to depart markedly ...'. Would you tell me how we know that the Council intends to depart markedly from the opinion given some consideration to this, if not I don't think that the discussions of its experts already mean that the Council will depart markedly, unless the Council is completely dependent on its experts, and that I do not believe.

In order to depart markedly from Parliament's opinion there must have been discussion and a definite position must have been reached. Subsequently, it must come and give an explanation here, inform us of this, and public debate will have taken place, which is indeed already the case.

A definitive decision will then be taken to replace the interim decision.

It is not the people who are bad, but the structure. I cannot help that. When nine national delegations have already adopted a position which departs from our own, it is 100 to 1 against the position already taken being changed because one of those delegations has appeared before Parliament. What is added is in the majority of cases a further denial. But even in these cases, it is not really a power which we have been given, but an influence—and I even have my doubts about that, it is another opportunity for discussion or rather for giving food for thought, but that is all. It is not a power. Now, in the final period it is a power which is necessary.

You say that you do not want speeches. Then let us give substance to the words. But this is not yet a definition of a power.

As regards the problem of the right of the 'last word' on new expenditure, you say on page 5 of your document that 'the Commission is pleased that the Parliament, pursuant to Article 203, should have the last word with regard to the approval of certain expenditure. It recommends that this category of expenditure should gradually be extended to include all expenditure which does not result automatically from previous long-term decisions'. And you say that this represents a great deal more. First of all, I should like to know what you mean by 'previous'. Previous to today or previous to the period covered by the budget?

Mr Cheysson. — (*F*) Previous to the financial year under consideration.

Mr Spénale. — (*F*) Under those circumstances, in coming financial years we shall still have previous decisions which will be taken after today and which will be imposed on us as being decisions previous to the budget, when my text talks of 'all new decisions'. We did not wish to call into question decisions or procedures already in force. I even told you, in a private conversation, that personally I could agree with the fact only when Parliament, at the time when a decision concerning a policy affecting the budgets is taken, if the opinion it has given does not differ from that of the Council, cannot call things into question during the budgetary procedure.

Personally, I am speaking only for myself, I could agree with this.

The document which has been presented does not even include this limitation: any new operation must be admitted to Parliament's decision. but when you tell us that your rule goes further this is not true. And how are we going to know what falls within the scope of Parliament's 'last word'?

You point out that the Commission will base its conclusions on this principle when it is making the distinction between the two types of expenditure, making proposals and during budgetary debates. Without any other criterion and without the agreement of the Council, which is the real budgetary authority, this will lead us nowhere.

As of now we must lay down precise criteria, indicate the basis on which we will receive new powers and set them out in a binding text. The Commission will make a proposal in the hope that the Council will agree to it, no further

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details are given. It is an area of permanent interpretation, as long as the Council still has more powers than us there is no way out.

I would like to say after these few observations that I recognize the extreme goodwill of Mr Cheysson and I am engaging with him not in aggressive, but in constructive dialectics, since there is nothing sufficiently reassuring in what he proposes, even if he believes that it is not far from what we hoped for. I should like further guarantees.

I should furthermore like to tell him, where the right of rejecting the budget at the end of procedure is concerned, that it is quite natural that a serious institution should regain its composure before taking weighty decisions. Believe me, we will not reject a budget for the sheer joy of it.

On the other hand, there is no doubt that the existence of such a power of rejection must constitute, as has been said, a dissuasive element, when it is known that people do have certain weapons in their arsenal account is taken of this, and it does give them negotiating power. It is this negotiating power which we hope to acquire.

We also feel that there may be circumstances in which there is serious conflict, and it may perhaps be necessary to envisage having recourse to this power. If we say that we want to have this weapon without actually using it, there will not be enough dissuasive effect. We don't know whether we will use it, but perhaps we will do so in extremely serious cases. On these three points when you say that you are ready to reconsider our interpretation and that you have not done so because you did not deem it necessary, I must point out to you, Mr Cheysson, that if you keep silent on this point, everyone will think that you have abandoned your position. When such a position was the fundamental basis of the Commission's declaration of 23 April 1970 that it would make new proposals and afterward you do not take it up, everyone has the right to think that you no longer maintain this position.

This is why it is necessary to reaffirm it; even if you think that it is not legally indispensable, I think that it is politically necessary. These comments, my dear colleagues, are the arguments which I had to put forward at this time on the essential points affecting items in our resolution.

I should like to tell my colleagues again, in particular Mr Durieux, that where the 'second reading' is concerned, I am not against this procedure for measures other than those which affect the budget. I am not up in arms against

'second reading' in this sector, I simply think that it is insufficient and I am saying so. If we accept it, we shall be committing a mistake in the sector which we are concerned with today.

President. — Have you any comment to make on behalf of the Political Affairs Committee, Mr Kirk?

Mr Kirk. — My duty earlier today was merely to explain the course of the debate in the Political Affairs Committee and to put forward a modest amendment which, I understand, is acceptable to the Commissioner and to the chairman of the Committee on Budgets. I therefore hope that it will not cause any major concern.

While I am on my feet, may I raise a point of order in my capacity, not as rapporteur of the Political Affairs Committee, but as chairman of the European Conservative Group. We have decided to have all the discussion tonight but to take the votes tomorrow. The Assembly is commendably full in view of the fact that there will not be a vote tonight, but tomorrow morning Members will be present who will not have heard tonight's discussion. I respectfully suggest that whoever is in the Chair tomorrow should, without trying to resume the debate which will take place tonight, indicate on each amendment the opinion of the chairman of the Committee on Budgets and rapporteur, and the opinion of the Commission, if they have expressed one. That would guide those Members not able to be present tonight who would not know the formal position.

President. — The point you have raised will of course have to be taken into account by whoever is in the Chair tomorrow morning, on the understanding, however, that only the rapporteur, yourself and perhaps Mr Cheysson will be able to make a brief statement.

I can do no more than transmit your remarks to the person in the Chair at 10 a.m. tomorrow.

I call Mr Christensen.

Mr Christensen. — (DK) I should like to take this opportunity of thanking Mr Cheysson for his reply, even though it was not perhaps quite as exact as I should have liked. But I understood from the way and from the spirit in which the question was put, and also from the way in which our colleague in Parliament, Mr Spénale, construed the question, that the time will from now on be used for elucidating the problem of where Parliament's budgetary powers begin and

Christensen

where they end, and that this question will be clarified in cooperation between the Committee on Budgets, the Political Affairs Committee and the Commission.

After the answer given to us here by the member of the Commission, I have high hopes that we shall have a definite decision on this question when we meet again in the autumn. Those are my hopes after hearing the answer. I am grateful for it.

President. — I call Mr Cheysson.

Mr Cheysson, member of the Commission of the European Communities. — (F) Mr President, I thank the rapporteur of the Committee on Budgets for giving a reply on two precise points, but I do not think that this is the time to start an argument with him on these two points which deserve a more exhaustive debate.

I think it is very difficult to give an exact definition of the criteria for the 'last word'. In any case, I would be very glad if a discussion took place on this subject.

As for the 'second reading' procedure, I repeat that in our opinion it is a means of reaching the formulation of fundamental decisions—as it is not a case of annual budgetary decisions—which govern Community action. It is a means of bringing them out of the secrecy which surrounds them at present. It is, if I can refer to the report by the president of the Assembly, the beginning of the construction of the triangle, Assembly, Council, Commission, which he mentioned.

I am of course prepared, Mr President, to go more deeply into these subjects with the Chairman of the Committee on Budgets, should he so wish.

President. — Thank you, Mr Cheysson.

In accordance with the decision taken at 7 p.m., we shall now consider the motion for a resolution and the various amendments. The vote itself is deferred until tomorrow morning.

On the preamble and paragraph 1 I have no amendments or speakers listed.

Does anyone wish to speak?

After paragraph 1 I have Amendment No. 5, tabled by Mr Patijn on behalf of the Socialist Group and worded as follows:

After paragraph 1, insert a new paragraph worded as follows:

"1a. Recalls that it is still awaiting the proposals promised by the Commission concerning its

legislative powers, and fully reserves its rights in this respect."

The author of the amendment is unfortunately not here yet.

What is the rapporteur's position?

Mr Spénale, rapporteur. — (F) Yesterday, Mr Patijn, presented to the Socialist Group an amendment which consisted of saying that besides the stand we have taken on principle where budgetary powers are concerned, Parliament expects in addition proposals which have been promised by the Commission on its legislative powers and that it reserved all its rights in this respect, that is to say that the current resolution does not prejudice the stand which might be taken by Parliament when it has to deliver an opinion on legislative powers.

Personally, I lend my support to this proposal for an amendment.

President. — I note that the rapporteur accepts the amendment.

I call Mr Christensen.

Mr Christensen. — (DK) Since the proposed amendment has been put forward by Mr Patijn on behalf of the Socialist Group, I am obliged to point out that the Danish members of the Socialist Group are not in a position to support this proposal. I think it will be possible to understand this in the light of the remarks I made earlier in this discussion, so I shall not repeat those remarks.

It is our view that what is concerned here are the budgetary powers. Other decisions have been taken in the Community as to how we should transform the whole Community as it stands at present. It is therefore the task of the Commission, the Council and Parliament to come up with solutions regarding the so-called European Union, these also to include the legislative powers for a Parliament such as this one.

We therefore consider it to be a superfluous amendment and intend to vote against it. I would point out that, should the proposed amendment be approved, we shall nevertheless vote for the report in its entirety, since it contributes to a further elucidation of this whole problem, namely budgetary control and legislative powers. Consequently, even if the proposed amendment is adopted despite our votes, we shall vote in favour of the report as a whole.

President. — On paragraphs 2 to 8 I have no amendments or speakers listed.

Does anyone wish to speak?

On paragraph 9 I have Amendment No. 2, tabled by Mr Pounder on behalf of the European Conservative Group and worded as follows:

At the end of this paragraph, insert the following:

“unless preceded by conciliation procedure comprising a joint committee of representatives of the Council of Ministers and of representatives of the Parliament to discuss the issues.”

I call Mr Pounder to move the amendment.

Mr Pounder. — Once before when, late at night, I wished to propose amendments, you, Sir, were in the Chair, and you kindly helped me. I appreciated that. I hope that on this occasion, having had a little more experience, I shall not call upon you so frequently.

Amendment No. 2, which stands in my name on behalf of the European Conservative Group, seeks to insert at the end of paragraph 9 the following:

‘unless preceded by conciliation procedure comprising a joint committee of representatives of the Council of Ministers and of representatives of the Parliament to discuss the issues.’

Let me at the outset reject totally and utterly the argument which I have heard from various sources during the course of today that, for some reason which neither I nor the European Conservative Group can understand, the amendment seeks to weaken the resolution. In no way are we seeking to weaken the resolution. Quite the contrary is our intention and objective.

In his speech earlier today Mr Aigner referred to experiences in the German Federal Republic and the relationship which exists between their two Houses. As I understood the point that he made, this procedure was satisfactory.

As Mr Cheysson said a few moments ago, in this Parliament we are in a ‘triangle’ situation. I am not happy with the idea of the husband and wife and/or girlfriend and boyfriend. I see no reason why we cannot have a straight line instead of a triangle, and that is all that the amendment seeks to achieve.

Many Members feel that over the years the Council of Ministers and their representatives have perhaps been less than conciliatory in their approach to the House. The amendment seeks to give them the opportunity to be conciliatory—if they are not, at a future date we may wish to think again.

As I understood him, Mr Spénale expressed certain suspicions of the Council of Ministers. Far be it from me to disagree with him. He may be right. But please let us try this procedure—and that is all that the amendment seeks to bring about.

If it is claimed, as I have heard from certain quarters, that on occasions the Council of Ministers has been a stumbling block, this amendment provides an opportunity for us to unscramble that block. For that reason I commend the amendment to the House.

I conclude, as I began, by rejecting totally the suggestion that the amendment is in any way intended to weaken or water down the resolution. Quite the contrary is the case. I hope that it will make Mr Spénale’s excellent report stronger—and that is all that we seek to do.

President. — I call Mr Spénale.

Mr Spénale, rapporteur. — (*F*) I should like to say to Mr Pounder, member of the Committee on Budgets, for whom I have the greatest respect, that unfortunately his amendment weakens the text to the extent that it tends to consider that a ‘second reading’ is insufficient as a procedure. To envisage a conciliatory procedure does mean weakening the text and, personally, I think that it in no way changes the situation in the case of a decision affecting the budget.

Furthermore, there would be conciliation or there would not be conciliation. If there was no conciliation, we would be in the original situation and the Council would make the decision. Mr Aigner and Mr Kirk have mentioned precedents. In France too, there is a conciliatory procedure: the majority in the National Assembly does as it pleases within the conciliatory body. The example of my country, in this matter, is quite deplorable and could even influence me in the wrong direction, but I owe it to myself to say that when things occur normally in a conciliation committee between two Assemblies, Conservative or Socialist or Christian-Democrat members who belong to an Assembly move in favour of the Socialists, Conservatives or Christian-Democrats who are members of the other Assembly. The members, who have much in common, can easily find common ground for discussion as in bridge, to use Mr Kirk’s expression.

But in this evening’s case, it would be people belonging to totally different structures who would meet. There would be on one side members of Parliament, on the other side representatives of national delegations, and this

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procedure, already proposed in 1970 and rejected at the time, is not viable.

I don't know in what sector this conciliatory procedure could be valid. Personally, I am not against it, but I do not want 'second reading' to be considered sufficient if a conciliatory procedure is adopted in the circumstances which I have outlined and which bear no resemblance to the work of the two Assemblies of one nationality in one country. I hope that Mr Pounder and the members of the Conservative Group will understand me and withdraw this amendment which weakens the text.

President. — Mr Spénale, I would appreciate it if, wherever possible, you informed the House whether or not an amendment has already been discussed in committee. This would be quite useful to know.

Mr Spénale. — (F) Mr President, none of these amendments has been discussed in committee since they were all drafted after 8 p.m. yesterday evening and the Socialist Group was meeting until 10.30 p.m.

President. — Thank you for the information.

I call Mr Aigner.

Mr Aigner. — (D) Mr President, Ladies and Gentlemen. According to Mr Pounder's remarks this motion seems to be aimed at the following and I shall be grateful if you could confirm this: you want a mediation committee between the first and second reading, i.e. if the first reading leads to a difference of opinion between Parliament and the Council, the result of this arbitration procedure, which is in practice a second process, is to be put to a decision. Is this interpretation correct?

Mr Pounder. — Yes.

Mr Aigner. — (D) Mr President, if that is so I am on the whole very much in favour of this proposal; only it would have to be reworded because as it stands, it is not clear, at least in the German text.

Mr President, although agreeing with the proposal as such, I therefore request that we should withdraw the proposal now and reword it in committee, perhaps discussing it with the Commission. For I imagine the Commission also has an interest in an instrument such as a mediating committee.

Mr Lücker. — (D) One cannot refer an individual proposal for an amendment to the committee.

Mr Aigner. — (D) But we are a working party. I request the group to withdraw the proposed amendment, this working group to discuss the matter and the proposed amendment then to be reworded, perhaps with the help of the Commission and the Council, so that we may achieve concrete results.

President. — Mr Pounder, do you wish to respond to this suggestion?

Mr Pounder. — The position in which I find myself is one not uncommon to me. I am more concerned with trying to establish a principle than I am necessarily with the exact wording which, in six or seven languages, means exactly the same thing.

As I understand it, we are tonight discussing an interim report with a view to coming back in September with definite ideas. In the spirit of the entire debate where, as I understood it, we have been trying to present specific arguments rather than speak in terms of generalities, so too the idea which has been put forward in the name of the European Conservative Group is one which we wish very much to have considered.

However, I am in a technical difficulty. I would happily see the amendment remitted to the joint working party for its consideration, but that is conditional upon the next amendment being carried. I do not know whether it is in order for me to say anything further in the hope that the next amendment will be carried as I am unaware of what procedural problem this may present to us. If the next amendment is carried, this is obviously a question which can come before that joint working party. If the next amendment is not carried, goodness knows where we go.

At present, however, may I hope that the next amendment in the name of Mr Kirk on behalf of the Political Affairs Committee will be carried when it will then be possible for the matter to be discussed.

President. — That seems a good suggestion. We shall wait for Parliament's decision on the next amendment.

I call Mr Spénale.

Mr Spénale, rapporteur. — (F) Mr President, I simply wished to make the same proposal as Mr Pounder, namely that this matter should be referred to the working party.

President. — Very well, Mr Spénale. But this depends on whether Parliament accepts the

President

amendment proposing reference to the working party.

Mr Spénale. — (F) Yes, of course, Mr President.

President. — I call Mr Kirk.

Mr Kirk, draftsman of the opinion. — As I said this afternoon, this matter came up in the Political Affairs Committee yesterday. There was a certain amount of doubt as to whether this was the correct procedure, but equally there was a feeling that this matter should be considered.

The answer to Mr Aigner's point is clear. I have had a quick look at the German text—my German is not terribly good—and I think that there is a difference between the two texts. In view of a certain lack of clarity—it may appear in other texts as well—the suggestion made by Mr Aigner, backed by Mr Spénale, is right. The problem is that tomorrow morning we shall probably vote on the amendments in the same order as we are discussing them now. If it is possible for the President tomorrow morning to take the vote on my amendment before the vote on this amendment we could get out of the difficulty; but that is a matter for him.

President. — Tomorrow morning I shall propose that the Chair put to the vote first the amendment on the creation of a working party and then Mr Pounder's amendment.

Consideration of paragraph 9 and Amendment No. 2 is therefore deferred.

On paragraph 10 I have no amendments or speakers listed.

Does anyone wish to speak?

On paragraph 11 I have Amendment No 3, tabled by Mr Pounder on behalf of the European Conservative Group, deleting this paragraph, and Amendment No. 1, tabled by Mr Kirk on behalf of the Political Affairs Committee and worded as follows:

This paragraph should be worded as follows:

"11. Proposes the establishment of a joint working party of the Political and Budget Committees of the Parliament to examine in detail together with the Commission the Commission's new proposals and to report back to the September Part-Session."

These two amendments are in fact mutually exclusive, but in accordance with Parliament's decision we shall proceed to consider them.

I call Mr Pounder to move Amendment No. 3.

Mr Pounder. — Mr President, I can be unbelievably brief on this matter. I do not know what has happened. I understood that the Political Affairs Committee at its meeting yesterday reached a new form of words for paragraph 11. For some curious reason, which I shall never understand, the committee has the wording and I have the deletion. For that reason, my wording is now clearly irrelevant. It is part of the committee's resolution, and I do not know how it arrived on a separate piece of paper.

President. — I call Mr Kirk.

Mr Kirk. — I referred to this amendment this afternoon. There has been general discussion about it. However, I remind the Assembly that there is a slight error, which is entirely my fault. The amendment, in the last line but one, should read 'the Commission's proposals', not, 'the Commission's new proposals'. The word 'new' should come out.

This matter has been fairly thoroughly discussed in the debate. The idea is that between now and September we should have a joint working party of the two committees, that the Commission should assist us in this work, and that, without being bound by any proposals that the Commission may make, we should come before Parliament in September, with the work of the joint working party for the final result, to which we all look forward, in consequence of Mr Spénale's report today.

President. — I call Mr Schuijt.

Mr Schuijt. — (NL) Mr President, the principle of this amendment is supported by the whole Parliament. I am also in agreement with it. Mr Kirk could not have found a better defender than Mr Cheysson.

I would ask Mr Kirk whether it is wise to propose in the last part of the amendment that the working party should present a report to Parliament. If this procedure were to be followed it would mean that further discussion in the Political Affairs Committee and the Committee on Budgets would be deprived of both sense and substance. They would no longer be able to draw up a draft resolution as it would be prepared by the working party—the question of whether this would be in order is something which will have to be gone into.

I therefore propose that the last of the amendment should be deleted. In order to expedite discussions with the Commission and make them more effective the working party should set to work. The results of its work could then be discussed by the Political Affairs Committee and

Schuijt

the Committee on Budgets who have received a mandate from this Parliament to present a report on this subject. The results of the work of the working party will then be reflected in the motions for resolutions from the two Committees responsible. My proposal should be seen as a secondary amendment to Mr Kirk's amendment, which I otherwise support.

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, I apologise for arriving rather late and thus not being present to hear the arguments in favour of my own amendment No. 5.

Mr Kirk is of the opinion that the word 'new' should be deleted in his amendment. My question now is whether this does not deprive the creation of this working party of its *raison d'être*. What sense is there, in fact, in creating a joint working party of members of the Political Affairs Committee and the Committee on Budgets to study together with the Commission proposals which have already been tabled? We already have and know the proposals from the Commission. My amendment No. 5 states that we as the Parliament fully reserve our rights with respect to legislative powers. The Parliament is concerned with new proposals from the Commission related to these legislative powers and not with the proposals which have already been tabled.

If the word 'new' is dropped from amendment No. 1 by Mr Kirk I believe that there will no longer be any point in setting up a joint working party. The best thing would then be for us to continue our activities in the Political Affairs Committee and the Committee on Budgets. If the word 'new' is deleted I shall not be able to vote for amendment No. 1.

President. — I think there has been a misunderstanding.

I call Mr Lückner.

Mr Lückner. — (D) Mr President, two brief comments to clear up any misunderstandings.

I should like to ask Mr Pounder to state clearly that he is withdrawing proposed amendment No. 3 to paragraph 11, on the basis of this debate; for this proposed amendment was not included in the Political Affairs Committee's proposed amendment but must be withdrawn officially. That is necessary and I would like it stated plainly.

Secondly, Mr Schuijt is right about paragraph 11. Under the terms of our Rules of Procedure,

a working party cannot submit a report. We could sidestep this difficulty by saying 'which will examine in detail and report on the Commission's proposals together with the Commission.'

I also suggest that we refrain from discussing the September part-session. This is the last part-session before the summer recess and the September part-session is the first one after the summer recess. It may prove necessary to call a special part-session of Parliament or to deal with the matter at the October part-session. If we set a September deadline and then find we cannot keep to it we will be doing just what we often blame the Council of Ministers for doing. If we manage to deal with it in September, we are surely man enough to put the matter on the agenda for the September part-session. And if we have no time before September, the world will not come to an end if we postpone it to another session.

This proposal should resolve both difficulties. I think it really would bring us closer to the object of this debate.

President. — I call Mr Kirk.

Mr Kirk. — I am sure that Mr Pounder will take the point made by Mr Lückner and that we shall formally withdraw the amendment, which should never have been tabled.

On the question raised by Mr Schuijt, it is absolutely true that the working group cannot report directly to Parliament. This was drafted in rather a hurry. The form of words suggested by Mr Lückner is almost certainly right. The matter will have to come back through the two committees.

As for the September point, I put this in because of the justified insistence of Mr Spénale that we are working against a very tight timetable. The Council of Ministers must take a decision in principle by the end of the year. That suggests that by the September part-session Parliament, whether we have a joint working party or not, must be in a position to take a final decision on this very important matter. If that means that some of us will have to work during the summer holidays, that is one of those things. However, I hope that Mr Spénale will agree that September is the optimum date for a final decision by Parliament and that if we put it off until October we shall run the risk of not being in a position to implement the arrangements for the 1975 budget.

In reply to Mr Patijn, the answer to the point which he raised about the word 'new' is simple. We want new proposals from the Commission,

Kirk

but it is a bit much to ask the Commission to formulate new proposals before the working party meets and before it has had detailed proposals from us about the sort of things we want discussed. I want to get into a dialogue with the Commission in the working party and get the Commission to produce new proposals in the light of what we have to say to them rather than to tell them to go away without specific instruction and produce new proposals before we start talking to them.

There is, however, no point in the Commission coming back with the same proposals. We want something new in the framing of which we have had a say. That is the object of the exercise. If we include the word 'new' to begin with, it could be read as meaning that the working party could not meet until the Commission had produced a set of new proposals. We would then discuss them and send the Commission away to produce a further set of proposals. Taking out the word 'new' makes it clear that we want new proposals from them but that we want them in the light of the discussion we expect to have with them in the working party.

President. — I call Mr Spénale.

Mr Spénale, rapporteur. — (F) I must confess I am in something of a quandary. I agree that a working group should be set up and that it should work actively with the Commission before the September session, and I also agree that, as far as possible, new proposals should be made. However, paragraph 11 of the first draft, which I do not wish to defend, called upon the Commission to formulate new proposals and paragraph 15 requested it to take account of the resolution and to continue its examination of this matter with its appropriate committees to enable a far-reaching debate to be held and positive conclusions to be reached at the September part-session.

As I see it, paragraph 15 would have covered everything we could have wanted to achieve without saying it expressly. Within the limits of this paragraph, everything was possible, including the setting up of a working group. However, if precision is preferred, I have no objection to falling in with the wishes of the authors of the amendment.

I believe, however, that the proposed amendment makes it necessary to modify paragraph 15 or even delete it altogether. We cannot say, at a given moment, that we are prepared to work with the Commission within this group, and then later ask this same Commission to continue the study of the problem with the appropriate committees since we should no

longer know where we were or how the machinery would function during the holidays between now and September. I am in a quandary because, although on the one hand I sympathise with the spirit of the amendment, on the other I believe that it would cause difficulties later on in the resolution as it stands. I wonder, therefore, if the authors of this text have examined all the aspects of the situation.

At all events, if paragraphs 11 and 15 were retained, granting there would be a certain amount of repetition, the end of paragraph 15 could be redrafted as follows, if the authors of the amendment are in agreement: 'to examine in detail, together with the Commission, the Commission's proposals before the September part-session'.

This would imply—and it would be expressly stated further on—that we shall have a debate in September.

As I said, I am in a quandary since paragraphs 11 and 15 are tautological.

President. — I call Mr Ortoli.

Mr Ortoli, President of the Commission of the European Communities. — (F) I shall be extremely brief. Whatever the nature of the working methods chosen by the Parliament, we shall, of course, do our utmost to assist the committees and the working groups.

I should, however, like to say a word about the new proposals.

It is clear that a working group is needed and that afterwards the matter will have to be referred to the committees.

It goes without saying that if we want to hold serious discussions during the September part-session Parliament will have to be consulted beforehand and will have to have expressed its opinion. This does not mean that the Commission wants to hold up the work. On the contrary, everything Mr Cheysson has said on behalf of the Commission shows that we want to make progress as quickly as possible. However, we do not yet really know what Parliament's first opinion will be. Far-reaching questions have been raised, not least by the Commission. It is important to appreciate the scope of our proposals, since, as Mr Cheysson has said, we have in mind a real, legal increase in the powers of Parliament and a potential increase in its latent powers, not only where the budget is concerned, but also, as Mr Kirk said, on a broader scale.

Secondly, there is the whole problem of institutional structures raised during this debate.

Ortoli

Under these conditions, it seems to me difficult and probably not desirable to make new proposals while work is still in progress before the committees have been consulted and before Parliament has expressed its opinion.

On the other hand, the Commission will be ready, as soon as it has been informed of Parliament's opinion, which, as I understand it, should be forthcoming in September, to announce its own opinion in the light of what Parliament has said so that the work of the Council can proceed without delay.

President. — Thank you, Mr Ortoli, I call Mr Kirk.

Mr Kirk. — It is only polite to reply to the very kind words of Mr Spénale. The problem is that it has always seemed to me—and I made this point to Mr Spénale in the Political Affairs Committee and again this afternoon—that there is a mutual contradiction between paragraph 11 and paragraph 15 as at present drafted. Paragraph 11 calls on the Commission to make new proposals and paragraph 15 calls on the Commission, simultaneously with making new proposals, to work with the committees of this Parliament. I do not think that they can do both at the same time, nor is there any point in doing both. It is for that reason that I put down my amendment to paragraph 11. It is true that paragraph 15 then becomes a little tautological and it may be that we should leave out paragraph 15.

I am not tied to any particular form of words in my amendment although I think that Mr Spénale and I are agreed that we want to include 'September', whatever happens, because of the urgency of this situation. Other than that, I have produced one form of words, but if anyone can produce a better form between now and tomorrow morning, I shall be happy to accept it.

President. — I call Mr Pounder.

Mr Pounder. — In dealing with Amendment No. 3, I think that I explained how the rather curious situation arose with regard to the deletion of paragraph 11 with no substitution of anything else. I thought that I had withdrawn the amendment, thanks, Sir, to your guidance and assistance, but if it makes Mr Lücker happier, I will formally withdraw it now.

President. — Amendment No. 3 is withdrawn.

I call Mr Patijn.

Mr Patijn. — (NL) Mr President, Mr Kirk's explanation of the possible interpretation of the word 'new', and the words spoken by Mr Ortoli have helped me to understand how they expect the activities of the working party to proceed. I agree with what they say and therefore support Mr Kirk's proposal to delete the word 'new'.

President. — I repeat, Amendment No. 3, tabled by Mr Pounder, has been withdrawn.

Mr Patijn also withdrawn his proposal concerning Amendment No. 1. The question of 'new proposals' therefore no longer arises, and the amendment refers only to 'proposals'.

Everyone is in agreement with the idea of a working party. The spirit and letter of Amendment No. 1 are in fact reflected in paragraph 15.

Everyone also agrees with Mr Schuijt's idea that the working party should have to present its conclusions via the committees.

One point remains to be settled: the date. Should we and can we fix one? In any event, it will have to be some time in September.

I call the rapporteur.

Mr Spénale, rapporteur. — (F) Mr President, I should like to propose that paragraph 11 be redrafted as follows, to take account both of the wishes of Mr Kirk and of what Mr Ortoli has just said: 'proposes that a working group should be set up consisting of members of the political affairs committee and the committee on budgets to examine in detail the Commission's proposals and to request new ones.'

To begin with, therefore, we should be working on the present proposals and they we should request new ones.

Once the work is finished, the matter would be placed before the appropriate committees; that is the substance of paragraph 15.

Both paragraphs could thus be left in the text.

In this way the substance of the resolution would be retained and account would be taken of the other suggestions which have been made.

President. — I call Mr Kirk.

Mr Kirk. — We are very close to agreement but perhaps I could put to Mr Spénale that we should add the words 'if necessary with the Commission'. We should then reach the sense of both proposals and I hope that we could have a unanimous agreement on the

Kirk

text. The whole point of my proposal was that at the examination stage we should have the Commission there to make sure that they understood what it was that we wanted them to do.

President. — I would think it better to leave the words 'together with the Commission'.

Mr Kirk. — I was simply dealing with the points which Mr Spénale made.

President. — Mr Kirk, I thought we were all agreed to leave the words 'together with the Commission'. It was your proposal, and the Commission has agreed to it, so please don't call it into question again. We were all agreed.

Mr Spénale. — (F) Yes, Mr President. The words 'together with the Commission' should be retained.

It seems that we are all in agreement on the text.

Mr Kirk. — Thank you.

President. — I beg your pardon. I thought that in wishing to modify the amendment Mr Spénale had omitted something.

I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, I have on several occasions explained the Commission's new proposals to the various committees and I also explained them here a short while ago. Unfortunately, Mr Patijn was absent.

The Commission will re-examine its proposals when it knows the final position of Parliament should take into account the opinions of the working group, all the appropriate committees and the members of Parliament, in that order.

Thus, it will not be until the September debate is over when we know the details of Parliament's resolution, that we shall submit a new memorandum, after studying Parliament's opinion. If we did this before the debate, it would be tantamount to saying to the members of Parliament who are not members of the appropriate committees that their opinions did not count.

President. — Ladies and gentlemen, I think that, all in all, the first text proposed by Mr Kirk is the best one. As work proceeds we shall see whether we can stick to the date, but the text itself says everything it ought to say.

Let us therefore not look for perfection at this stage.

As worded in Amendment No. 1 by Mr Kirk, paragraph 11 represents a consensus of the House. We may decide to drop paragraph 15. The situation thus seems fairly clear.

Can we stick to this text, Mr Spénale, bearing in mind all the comments made on it?

Mr Spénale, rapporteur. — (F) I would simply point out that the text so formulated does not bind the Commission.

We shall speak our minds and discuss things together. The Commission will then see when it can make proposals synthesizing our views.

Mr Cheysson, Member of the Commission of the European Communities. — (F) That is agreed.

Mr Spénale, rapporteur. — (F) Then I agree, Mr President.

President. — On paragraph 12 I have no amendments or speakers listed.

Does anyone wish to speak?

On paragraph 13 I have Amendment No. 4 tabled by Mr Pounder on behalf of the European Conservative Group and worded as follows:

At the end of this paragraph, insert the following:

"which should report to and be at all times available to assist and advise the Parliament in the exercise of its rights of control."

I call Mr Pounder to move the amendment.

Mr Pounder. — I can be very brief in moving the amendment to paragraph 13. The sentiments expressed in the amendment were also expressed during the debate this afternoon. I cannot conceive that anybody in Parliament will stand out against the terms of the amendment. It is simply that while everybody here is happy at the concept of the creation of an Audit Court, that Court must be accountable to Parliament. Independent the Court should be, of course, but accountable to this Parliament it equally should be so that Parliament, if it so desires, may ask the Court to examine the financial situation under any heading of any Community activity. That is a proper function for Parliament to request and for the proposed Audit Court to undertake.

I believe—and I hope this is so in all languages—that this amendment is simple and clear. It merely requests that the Audit Court 'should report to and be at all times available to assist

Pounder

and advise Parliament in the exercise of its rights of control'. I devoutly hope that there is nobody in the Assembly at this late hour who will question the decision which this amendment makes clear, for it is designed simply and absolutely to make more effective the powers of this Parliament particularly in relation to the Audit Court. There is a unanimous desire that such a Court should be created.

President. — I call Mr Kirk.

Mr Kirk. — I think that there is little that I need add except to say that I support the amendment.

President. — Excellent.

On paragraph 14 I have no amendments or speakers listed.

Does anyone wish to speak?

As for paragraph 15, it has been agreed that this paragraph will no longer be necessary as such if it is adopted in the version modified by Mr Kirk's Amendment No. 1.

I call the rapporteur.

Mr Spénale, rapporteur. — (F) No, I think Mr Kirk's amendment is compatible with paragraph 15, since the latter deals with reporting back to the appropriate committee and the far-reaching debate with positive conclusions during the September part session, none of which are referred to in paragraph 11.

President. — We are therefore agreed to maintain paragraph 11 in its new version and paragraph 15 as drafted.

On paragraph 15 I have no amendments or speakers listed.

Does anyone wish to speak?

Our consideration of the motion for a resolution is concluded.

For the sake of clarity, I shall now sum up the situation as it will obtain prior to the vote tomorrow morning: — M. Spénale, rapporteur, and Mr Kirk, rapporteur for an opinion, will indicate before the vote on each amendment whether they are in favour or against. I shall ensure that whoever is in the Chair tomorrow morning is aware of the arrangement.

— On the preamble and paragraph 1 there are no amendments.

— After paragraph 1 there is Amendment No. 5, tabled by Mr Patijn on behalf of the Socialist Group, inserting a new paragraph. Both rap-

porteur, speaking for themselves only, have accepted this amendment.

— On paragraphs 2 to 8 there are no amendments.

— On paragraph 9 there is Amendment No. 2, tabled by Mr Pounder. The votes on Amendment No. 2 and paragraph 9 are however deferred until after the votes on Amendment No. 1 and paragraph 11.

— On paragraph 10 there are no amendments.

— On paragraph 11 there is Amendment No. 1, from which the word 'new' should be deleted. I remind you once again that the vote will take place before that on paragraph 9.

— On paragraph 12 there are no amendments.

— On paragraph 13 there is Amendment No. 4, tabled by Mr Pounder.

— On paragraphs 14 to 16 there are no amendments.

We have now reached the end of this important debate. I thank all Members for their contributions, especially Mr Spénale and Mr Kirk.

19. *Communication from the Commission on the progress achieved in the first stage of economic and monetary union and the measures to be taken in the second stage of this union*

President. — The next item is a debate on the report drawn up by Sir Brandon Rhys Williams on behalf of the Committee on Economic and Monetary Affairs on the Communication from the Commission of the European Communities to the Council on the progress achieved in the first stage of economic and monetary union, on the allocation of powers and responsibilities among the Community institutions and the Member States essential to the proper functioning of economic and monetary union, and on the measures to be taken in the second stage of economic and monetary union (Doc. 107/73).

I call Sir Brandon Rhys Williams, who has asked to present his report.

Sir Brandon Rhys Williams. — We are meeting at an anxious moment. The news from the exchange markets today is not all favourable. Certainly this is not an opportunity to go into technicalities and to bore Members late at night. All Members have before them the resolution adopted unanimously by my committee. For the most part I think it speaks for itself.

Rhys Williams

As we plan our course towards economic and monetary union, perhaps we should ask Mr Haferkamp to remember the warning of the old sundial: 'it is later than you think'.

The collapse of confidence in the dollar has probably gone too far. There will very soon be a time to buy dollars again. Meantime, there is a vacuum in the western monetary system. Europe must fill it without any more delay.

The committee feels the tone of the Commission's paper is timid and that it makes too few specific recommendations. It contains interesting new ideas such as the suggestion for a community unemployment fund and for a European institute for economic analysis and research. But these proposals are not worked out in sufficient detail.

On the general outline of the next steps towards economic and monetary union, the Commission gives no hint of its general strategy for the reconciliation of policies of stability and growth. It must make clear what plan it intends to follow at the same time to fight inflation and yet to preserve full employment to maintain a strong common community position in the world economy and yet to keep up the momentum of growth.

Perhaps the lesson of recent years is that the conventional remedies for inflation by cutting investment and reducing employment in the long run make matters worse. In particular by provoking social unrest they attack the very foundation of a stable economy, which is a single-minded work force.

We have to gear the economies of the European democracies to meet the demands of the revolution of rising expectations. A difficult balance has to be struck between the needs of regional and structural policies and the restriction of growth of the money supply which helps to feed inflation.

Europe needs an economic policy which will find the middle course between discipline and enterprise, between unity and freedom. The committee feels strongly that the disappointments of the first stage of the programme for EMU are largely the fault of the indecision of the Council of Ministers and its failure to act in accordance with the spirit of the Treaty.

In the next stage more responsibility must be given to the Commission to carry out the decisions of the summit conference and Parliament must have more effective powers of guidance and supervision. Parliament is entitled to know what steps will be taken to establish a free Community capital market and to protect traders affected by parity changes.

The events of recent weeks have made it clear that we have not seen the last of parity changes. The fear of hot money movement must not stand in the way of progressive liberalization of the movement of funds on capital account for investment and we must also improve the facilities available to exporters and importers to protect themselves against parity risks by taking out forward cover on reasonable terms.

The system of holding the Community currencies together in a cluster—which is now known also as the snake—has not been shattered by the two revaluations of the Mark in the last few months. But no effective collective European institution exists with the means to counter speculative forces. It is important to establish the necessary conditions as soon as possible for all Community currencies to adhere to the system for the purpose of day-to-day current account transactions while recognizing that the 'stable but adjustable' formula adopted by the summit conference made allowance for parities to be changed when circumstances could be seen to demand it.

Vice-President Haferkamp's proposals for strengthening the European Fund for Monetary Cooperation, which we discussed in our Committee today, will go a long way to making the European Fund an effective Community institution. We must lose no time in implementing measures on the lines that he has recommended. The harmonization of tax should not be confined to turnover, corporation and excise taxes. The Commission rightly draws attention to the implications of economic union for personal taxation and the various systems of social benefits. The aim of regional policy, as defined at the summit conference, is the 'mitigation of disparities in living conditions'.

The Commission should study the implications of what we might call the 'European Social Contract' and should recognize that the various systems of personal welfare and the raising of funds from employers and individuals constitute a means of transferring resources with important implications for regional and structural policies. The level of employers' contributions also vitally affects the question of equal conditions of competition. The Commission is right to study transitional solution of the many anomalies and to seek ways of implementing them progressively in personal taxation and social security.

Economic and monetary union is a big target. We shall not achieve it by gimmicks or by timid approaches. We must recognize that ultimately it will transform every aspect of the relationships with each other which we express in terms of cash.

Rhys Williams

Finally, I draw the attention of colleagues to those resolutions which deal with the strengthening of the powers of the Commission, and particularly of Parliament. We shall not be able to maintain a workable economic and monetary union without what the Werner report called a 'centre of decision'. The European centre of decision must have a genuinely democratic foundation. It must spring from a parliament that is able to express the hopes and anxieties of individual men and women, whether as producers or consumers, throughout the Community. Uppermost in their minds just now are the questions of inflation and currency stability. Parliament must show the voters of Europe that it understands their problems. The Commission has the more difficult task of convincing them that it knows the answers.

In Resolution 13 we insist that the Commission should revise its communication to the Council. It must make it more specific. It must bring to it a sense of urgency.

Vice-President Haferkamp has done well with his proposals for the adjustment of short-term monetary support arrangements and the conditions for the progressive pooling of reserves. He has got away from torrents of 'Eurospeak' and is getting down to brass tacks. If he is to justify the confidence that Europe has placed in him he has much more to do.

(Applause)

President. — I call Mr Burgbacher on behalf of the Christian-Democratic Group.

Mr Burgbacher. — *(D)* Mr President, ladies and gentlemen, I am speaking on behalf of the Christian-Democratic Group. We recommend the adoption of the report drafted by Sir Brandon Rhys Williams which we have discussed in detail, reviewed and unanimously. May I refer in particular to paragraph 3 of this report which plainly calls for Parliament immediately to receive legislative and control functions. That is an essential part of the resolution.

We regret that there are no proposals for promoting stability, growth, full employment and the foreign trade balance. Those are the famous four points which seem so vital to us but hardly anyone has yet managed to achieve at one and the same time and over the long term.

I refer to paragraph 1 of Mr Arndt's report of 27 March 1973 which says that the member states of the International Monetary Fund must pursue an economic policy directed at stability if the reorganization of international monetary relations is to have lasting success. I leave it to each individual member to consider how far his

country pursues an economic policy directed at stability. Even where there are steps in that direction they resemble attempts to treat pneumonia with an aspirin.

Currency depreciation and loss of purchasing power are continuing and I do not see what has been done in this area to date. But I do see that a series of well-meant attempts have in fact only increased and accentuated depreciation and loss of purchasing power.

May I again point to the rather famous and enormous sum of 250 thousand million dollars which is the capital power of the so-called supranational company. May I point to the millions of dollars from oil—a figure which is now increasing thanks to the USA's new purchases—that float around the capital market until the oil-supplying countries invest them in raw materials at home, which will probably be quite some time.

We are in the process of abandoning the dollar as a reference and reserve currency. The dollar appears to be changing from a key currency into a fluctuating currency. The recent revaluation is unlikely to be the last unless major changes are made.

We have now reached the last step of the first stage. There is no time for me to discuss in detail the projects for this first stage, but they can easily be looked up, and it is just as easy to see that none of the objectives was achieved, and that the attempts to stabilize capital movements had negative results. More regulations on capital movements within the Community are in force now than at the beginning of the first stage.

Sir Brandon Rhys Williams has just spoken of tax harmonization. Free movements of capital have not accelerated but been inhibited and the need for measures to solve structural regional problems, remains as urgent as ever.

We must therefore ask in general terms whether we can or should move into the second stage on 1 January 1974. I personally think we should still do so, quite apart from the fact that this would comply with the decisions of the October 1972 summit; however I would also say that the summit meeting is not a Community body and cannot therefore lay down laws for the Community, although one can at least expect the Community institutions to respect its decisions.

But I do not know—and Mr Haferkamp will no doubt speak on this matter—whether the Commission or the Council have already made a final decision with respect to transition to the second stage, or whether they have even discussed it. This is important because the basic

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elements of the action programme for the second stage include a series of very concrete new objectives, such as the smooth functioning of the Union, parallel progress in the individual Community sectors, a sense of Community responsibility, continuity and decision-making processes at Community level. These are all new and difficult tasks set for the second stage. And there is much dispute as to whether transition to the second stage is possible as long as three Community countries have not floated their currency. The issue here is the famous demand that they must join the snake before the second stage can begin. I cannot support this. And I think it would be a pity if the Commission, the Council, or both decided this. I fear it would lead the Community into an impasse, for I cannot see how one can expect these countries, Italy, the United Kingdom and Ireland, to join the snake now.

From an objective viewpoint, all the Community institutions are to blame that so little was achieved in the first stage; but I feel the Council is especially to blame; in my opinion and that of many of my friends, each Council member still carries his country's wishes in his briefcase when the deliberations begin and these wishes are then haggled about and modified. Priority is not given to the needs and objectives of the Community; instead each member attempts to assert the wishes of his own country as far as possible. From what one hears of the new budgetary principles for the coming budgetary year of the public budgets, 1% is deducted in one case, 2% added in another, etc. The result has nothing to do with achieving stability.

Logically, the Community monetary fund should now have priority, and naturally there may be conflicting objectives. No doubt we will be hearing, from Mr Haferkamp, on this subject, and above all on the transfer of parts of the Community countries' currency reserves, which amount to about 175 thousand million SDR (special drawing right units, in the nine Member States. Over the years, until the deadline in 1980, these reserves are to flow into the European monetary fund—more as loans than gifts from the nations—to enable the fund to help in the conduct of monetary policy while relieving the burden on the individual Member States of the Community which, as we know, may then no longer resort to changing their parities without consulting the other members. The monetary fund which is, rightly, to become the supreme central bank of the Community, can then spend these Community currency reserves as appropriations, etc. I wonder whether it promotes stability if these currency reserves, which are now more or less outside the market, are reintroduced into the market, i.e., whether they will not increase rather than reduce purchasing

power. Once again this raises the question: has the Council finally decided on the transfer of these funds, as a loan, to the monetary fund or is it still at the stage of preliminary discussions?

I feel that we all, our peoples and ourselves, wish to move towards stability, as the Commission, under our friend Mr Haferkamp, intended to do this year, 1973, with its plan to reduce purchasing power by 4%. That we have not done so is not the Commission's fault, nor do I think the national governments can be held responsible.

We have money inflation, we have a continual increase in monetary circulation, a continual increase in the purchasing power of the Community and the free world. And the banks extending credit to clients—no matter in what form—credit money and—excuse me for repeating it—the oil dollars and the dollars of the supranational companies, all contribute more or less autonomously to the creation of credit and money. This cannot lead to real stability. I think, and I hope the majority of my friends agree, that a policy aimed at real stability necessarily demands sacrifices from everyone and not just from one group or a minority. Social justice is possible here too. One need not impose sacrifices on the mass of the workers with primitive demands for wage reductions. But if a part of these wages is fixed for investment, even if for no more than 6, 8 or 10 years, this would have a quite different effect on stability than the current situation in which all these monies support the growing consumer desires of our people.

Besides monetary inflation, we also have inflated demand, and because monetary inflation continues, demand rises, with the result that many countries are beginning to spend monetary savings. That means that these savings are pumped back into circulation, creating a vicious circle.

Our national budgets are not based on the right criteria. Everyone here knows how difficult this question is. But it is simply not possible to cure a serious malady with one small pill. Success requires stronger measures.

May I conclude by saying that what is required of us all, Governments, Commission, Council and ourselves, is to try wherever we have influence to reduce monetary values and purchasing power and to dampen the excessive demand. If purchasing power and demand continue to rise, we can give up all hope of stability. In the end this would require even more severe measures than now.

(Applause)

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

Mr Lange. — (D) Mr President, ladies and gentlemen, the subject of this discussion is the Communication from the Commission on the progress achieved in the first stage of economic and monetary union, on the allocation of powers and responsibilities among the Community institutions and the Member States essential to the proper functioning of economic and monetary union and on the measures to be taken in the second stage of economic and monetary union.

My first comment concerns the last part of this title. We speak of stages, the three stages, following the Werner Report. The Communication to the Council describes the experiences in the first stage. We note—and here I confirm what Mr Burgbacher said, which agrees with the Commission's findings—that none of the declared objectives for the end of the first stage have been achieved.

That means the first stage failed. Now the second stage is being discussed, which covers a relatively short span of time. And then we move into the third or final stage, lasting until either 1978 or 1980. We must now ask the following question—which has already been raised in the Economic Affairs Committee and the Groups: is there any point in clamping a series of fixed dates onto the development of a community such as the European Community into an Economic and Monetary Union?

We gained experience in the first stage and saw that things turn out quite differently from what seems desirable at the start. As a result it proved impossible to pursue economic and monetary cooperation and policy, at the same time, as required.

For instance, in spring this year we had a chance—which would not necessarily have provoked fresh disputes between economists and monetary experts—to go far beyond what was originally projected for the second stage in the field of monetary policy. But the Member States hesitated.

Now, of course, we must speak of the institutions partly responsible for this development in the first stage. We know that Member States' own interests—a kind of neo-state egoism—played a major role and that the Council often did not fulfil its functions as a Community institution but saw itself in its various parts as the preserver of national interests, i.e., Member States' interests, and that in principle all decisions, assuming any decisions were taken or made in the Council, were always based on the lowest common denominator and in no

way contributed to the achievement or realization of the aims the Council set itself in its decisions of 1971.

Consequently, responsibilities among the institutions must be allocated quite differently if Economic and Monetary Union is to be achieved and such national-state interests and compromises at the lowest level avoided.

It now becomes necessary—and here practical considerations oblige the Economic Affairs Committee to deal with institutional problems although this was not its original function—to establish that the Council did not pursue three decisive objectives. There was no coordinated economic policy. The solemn mutual promises, relating to this same year to the effect that the individual Member States would pursue a policy based on Community interests, were not kept, and instead the Community was once again subordinated to the Member States.

By its nature the Council is the representative of Member States' governments, and with its Permanent Representatives Committee it forms a body which, with all respect for the abilities of the permanent representatives, I must say is least of all Community-oriented and thus also makes the Council unable to fulfil the tasks laid down in the Treaty.

Moreover, I believe the Council has taken tasks upon itself which basically belong to the Commission, under the terms of the Treaty. We need not speak here of the long-term development. For it has been said at various times in this Parliament that the Commission—the Commission as such and not any particular Commission in office at a particular time—has practically been ousted from of its position of initiator of laws and quasi-executive body, by this development because the Council has taken over a number of executive functions which the Treaty does not confer on it.

With a view to the smooth functioning of the Communities, we are concerned with enabling the Commission to fulfil its task as executive, as quasi-government. We are not speaking of the present Commission but of the institution called 'Commission'. In addition, Community interests must be expressed more strongly, or so we believe, on the basis of Parliament immediately obtaining what we call unrestricted legislative and control powers.

In our committee's resolution—and I am also speaking for the Socialist Group because we advocated this in the Group too—we deliberately refrained from discussing this matter in detail. Today the Council is the only legislative body in the Community and as I just said it has also taken over executive tasks, thus

Lange

becoming a curious hybrid. Its members, as members of the national governments, need no longer be under the complete control of the national parliaments because all action in the Council can only be taken in conjunction with other action and each member of the Council uses the same arguments *vis à vis* the national Parliament: we had to come to an understanding with the others although we would have liked to implement your ideas here in Europa. This precludes the requisite control.

That is why we say 'immediately'—saying it to the Commission too, and asking for appropriate proposals to be submitted immediately, to give the Council back its legislative function and give Parliament its full share of legislative power. This might result in a two-chamber system within the European Parliament, i.e., a full parliament. This alone might ensure that in future Community interests will be asserted more strongly than was hitherto possible; it would comply with the development aims of this Community under the Rome Treaty; moreover, for we need not refer only to Treaties, it would be in the interests of the citizens of these European Communities. Surely what is important is, firstly, to make this Community as democratic as possible—to prevent it from moving in a technocratic or bureaucratic direction—and, secondly, to make it as humane as possible thanks to a smoothly functioning economic policy in conjunction with the appropriate social policy; it is quite conceivable that this Europe would then achieve the well-being and welfare of its citizens. Then Europe will be what we could call a social, democratic Europe. It seems to me that these practical needs automatically entail the institutional demands outlined above.

We believe that the development of the Community's institutional structures explain the failure of several aims that could be achieved with the right political resolve. And I must repeat, however much it may bore some people, what we have said on various occasions, namely that we do not just want confessions of faith in Europe on the part of national government representatives, we want corresponding action too.

No doubt the Summits of 1969 and 1972 were a good thing, but it is not yet clear whether the institution called 'Council' has transformed the political resolve of these two summits into practical achievements in any one decisive area. So we add that we give our practical and institutional support to the demands of the Economic Affairs Committee.

For the future we ask that the Commission, as the quasi-executive, should lead the way in

economic policy, monetary policy and all connected policies, and that national interests should be subordinated, instead of the reverse, as I have stressed earlier, and that an accumulation of national policies should not be presented as the European Community policy. That would be deceiving ourselves and our citizens.

Moreover, and here again I speak on behalf of the Socialist Group, we support the Economic Affairs Committee's resolution without reservations and expect the Commission to submit detailed practical proposals as soon as possible—again agreeing with Mr Haferkamp and sharing the Economic Affairs Committee's regret that the action programme is so vague. We are pleased to note that a proposal has been submitted in respect of widening the European Monetary Fund's powers regarding cooperation in monetary policy, and we shall discuss it at a suitable time.

One further point: we will be discussing topical questions, including those which Mr Burgbacher has just raised—namely short-term economic policy—in this Parliament very soon, at the September part-session, in the third round of the talks on short-term economic policy. There we shall discuss everything to do with short-term economic policy, return to stability, full employment, distribution of incomes, social security and suchlike. So, Ladies and Gentlemen, Mr President, I think we must all make a concerted effort. According to the Treaty the Commission is the institution required to submit the necessary proposals in the appropriate manner; but that does not relieve us of responsibility for developing our own ideas. There is no question of that. If the Commission submits suitable proposals as soon as possible, that means that the debate on budgetary powers, which lasted from just before 5 pm. until 11 p.m.—with a two hour break—is a firm part of the debate on the absolute legislative powers and the control powers of Parliament. Only thus can we achieve our aim in this field.

I would therefore be grateful if the Commission would regard these perhaps not always friendly comments as a necessary step towards the further development of this economic Community into an Economic and Monetary Union, discrediting all those who accuse the Community of petering out into nothing. Europeans cannot afford this if they are still to have any chance of controlling and shaping their own affairs under conditions created by themselves. The myth that national states in Europe can still fulfil these functions for their peoples must surely be seen for what it is by us. Only the combined force of the Europeans, only their combined political resolve can achieve the aim of a social and democratic Europe.

Lange

As we said, the Socialist Group will support the Economic Affairs Committee's motion for a resolution and expects the Commission to submit its next proposals relating to these aims in the foreseeable future.

(Applause)

President. — I call Mr Federspiel on behalf of the Liberal and Allies Group.

Mr Federspiel. — (E) This is undoubtedly the most important question that this Assembly will deal with this year, but we are in the curious situation of having before us from the Committee on Economic and Monetary Affairs an interim opinion on an interim proposal from the Commission, and still more curious is the fact that the communication from the Commission to the Council of Ministers about which everybody has known for months is in this Assembly a secret document, not distributed under our rules because it has not been translated into all the languages.

I shall not be greatly worried about this because in the Committee on Economic and Monetary Affairs this afternoon we had the benefit of hearing Mr Haferkamp's statement on the same document. But I understand that I may not refer to the document known as 68/73.

This report expresses, in the same way as the Commission, considerable disappointment with the progress towards economic and monetary union. It is undoubtedly essential that we do not miss the target date of 1 January 1974 for the passage from the first to the second stage. What the Liberal and Allies Group has considered is whether this disappointment at the lack of progress made by the Council of Ministers is in fact so serious and whether we should try to go into the reasons why action has failed. The summit meeting threw in all kinds of concepts of economics—full employment, stability, social policy, regional policy, consumer interests and a number of other items.

If you are trying to shape that into a policy, I do not think you will get anywhere.

The choice before the Commission and before the Ministers is to continue the progress—and, after all, there has been some progress; some control has been achieved over the currency markets—by taking at every stage the solution which is in the direction of the aims of the Community, namely continued liberalization. If that progress is made, it is not essential that an overall policy should be defined before 1 January. We believe that progress must continue but

that we must make it quite clear that we cannot achieve all our objectives at the same time.

There is one particular point which I want to raise, and that arises in paragraph 5 of the motion for a resolution before us, which takes only three of the elements—stability, growth and full employment.

Since the end of the war we have had a cult of growth. We believed that that was the ultimate aim of the Community which would create welfare, employment and benefits for everybody. This cult of growth has contributed very largely to the inflation which is now the scourge of most of our societies. It would be as well if we could achieve a sabbatical year in this cult of growth and concentrate on stability and on creating the necessary instrument for controlling our economy, which is threatened by factors about which we did not know when the development of European integration was started. We did not know then that we were creating tremendous economic forces outside our Community, for the simple reason that we had to pay for our energy at prices which were continually rising, and putting more and more capital into countries which had no experience of what to use capital for but which were tempted to dislocate the currency markets from which the capital came.

It is therefore essential that we concentrate on the defence of our currency systems, that we take a good look at the rate of growth which we can afford if we are to achieve stability and that we take at every turning the line which leads on the path of liberalization of our trade, our capital markets and our dealings. That is no more precise than the suggestions by the Commission which the report blames for being imprecise, but it is at least a policy which we believe will lead to greater stability and therefore to greater welfare.

I shall not go into the question of employment with which Mr Lange dealt, but that again is a factor of inflation which we should watch. There is, however, one point in the report to which I call attention, namely, the third point, which is worded slightly differently in the different translations but which in the English text reads that Parliament:

'Demands the necessary executive powers to be conferred on the Commission to implement the programme already agreed by the Heads of State and Government and that Parliament should forthwith be given an effective legislative and controlling role.'

That would seem to be an entirely new departure which might even require amendments of

Federspiel

the Rome Treaty. I do not think that that is the intention, and I should be glad if both Mr Haferkamp, from whom this idea emanates in the Commission's communication, and Sir Brandon Rhys Williams would confirm that it is not the intention by this procedure to change anything in the present constitutional structure of the Communities. That would also make things easier for some of our Members.

As I read it, the intention is to encourage the governments to take the necessary political decisions to enable the Commission, under the terms of the treaty, to take the necessary administrative measures and that Parliament should be consulted in the light of the discussions which we have had today and yesterday not only once but twice. If that is so, no change is required, and I think that the consciences of some Members of the Assembly who have been in doubt about the meaning would be eased if that was what they voted for.

The last point we wish to stress is the importance of strengthening the monetary fund. The original sum of 1.3 million units of account was obviously quite inadequate. Whether the present proposal to multiply that by about ten will be sufficient we do not know.

The important point is that in the negotiations between the Commission and governments the right balance must be found to make this fund sufficiently strong. That is in the interests of all the Member States, whose reserves can better be utilised there than lying about at their own disposal. It is our view that this fund should be strengthened and that its powers, and particularly its mobility, should be facilitated as much as possible.

With these remarks, the Liberal and Allies Group supports the motion, although we do not think it was strictly necessary at this stage, and we shall expect a debate in considerably greater depth later in the year.

(Applause)

President. — I would be happy if we could finish the debate by midnight. We could all do with some sleep. I have three more speakers listed.

I call Mr Dalsager.

Mr Dalsager. — *(DK)* Thank you, Mr President, for giving me the floor. I must admit that at this late hour it is with small pleasure that I address the House. As a Socialist and an advocate of sound legislation on workers'

welfare, I note that we have already infringed the rules laid down under the Danish Factory Act where the Parliament's employees are concerned. Under that legislation, they should have eleven hours' rest between each working day and we can already see that such will not be possible.

I nevertheless feel it necessary, Mr President, to point out that the report before us will not be endorsed by the Danish members of the Socialist Group.

In our opinion, economic and monetary cooperation between the European Communities is at a stage which—we also regret—cannot be called particularly advanced. This is also clear when one reads various points of the report. In point 8 for instance the problem is raised of enabling business people in the Community to protect themselves against changes in the exchange rates. In just a few sentences it sets out the problems we have to struggle with. We know of course that we have not been successful in this first phase of the economic and monetary union in establishing an exchange system that makes it possible for all countries to follow the Community's aims in this sector. I am not saying this in order to reproach certain of the countries with a floating exchange rate for this situation. We all know the difficulties involved in adhering to the Community's objectives in respect of the exchange system.

I would further state that, as regards point 10, we are very much in doubt about what the words mean. The desire is expressed that the Commission should amplify its proposals for the harmonization of social security arrangements. As we understand it, there are no problems in this connection since in our estimation any harmonization of the social security arrangements means harmonization in an upwards direction.

As regards the next part of point 10, the harmonization of personal taxation, it is something quite new for us Danes to see this problem presented in this manner. Until we know precisely what is meant by this requirement, which is here put before the Commission, we shall refrain from adopting a standpoint on this question.

In the meantime, that which is quite decisive for us, which makes us unable to vote for this report, is what is stated in point 3 about the statutory powers it is desired to give Parliament.

What my colleague, Mr Christensen, said earlier in the day in respect of the previous report that we dealt with, is true here also: until we know

Dalsager

what is really meant, we do not wish to commit ourselves.

These remarks, which I have made shorter than I ought to have done, Mr President, in view of the hour, lead me to state already now that we shall have to abstain tomorrow from voting for this report for the reasons I have just given. We have wanted to give our reasons this evening so that they will be officially recorded and then reference can always be made to them if necessary.

President. — I call Mr Bordu.

Mr Bordu. — (*F*) Mr President, Ladies and Gentlemen, I shall keep to the time allowed since Mr Ansart has already dealt with various aspects of the problem. The Committee on Economic and Monetary Affairs has drawn up a number of recommendations for furthering the pursuit of union. In this it has followed the guidelines laid down at the Paris summit conference.

The Commission has had to recognize the failure of economic and monetary union and requests that a more precise plan be drawn up for the next stages, providing for the evolution of the Parliament and the Council towards a legislative function and for making the Commission an executive centre in economic and monetary matters.

During the meeting between Mr Brandt and Mr Pompidou on 25 June 1973 it was agreed that a consolidation phase would be necessary before the next stage planned for 1 January 1974.

We believe that cooperation can and should serve the interests of the people. It is necessary for the solution of the major problems of our age.

However, we should like to make some comment in the matter of economic, political and social consequences. Indeed, the problems of economic and monetary union cannot be separated from the problems of the international monetary system insofar as this constitutes the most obvious factor in the world-wide crisis of capitalism.

They cannot be separated from the GATT negotiations which are aimed at finding new formulae for using capital to the benefit of large scale industry and of multinational companies.

In some ways, the countries of the Community are using this crisis to emphasize the need for economic and monetary union, which implies a common taxation system, in particular with respect to the basic rate of VAT.

The capitalist system is full of contradictions and those Heads of State and Ministers of Finance who undertake verbally to defend parities end up by making the best of a joint float of currencies.

No one would deny that the large capitalist and monopolist groups need stability for their foreign trade but at the same time their speculative policy, which is a function of their need to accumulate, makes them content with disparities.

The union would, without doubt, have the effect of draining large funds in the service of the massive accumulation of capital, including American capital, and such accumulation is one of the sources of inflation.

Is it not a question of setting up European enterprises, including national and public undertakings, which will lay foundations of new, multi-state structures implying the support of the states in investments?

This means evolution towards institutions of a supranational character, towards a sort of super-state.

This evolution does not take account of the real or potential diversity of the political tendencies of the States and may stand in the way of later opportunities for cooperation within the framework of the Common Market.

Thus, the French common programme achieved by the communist, socialist and left-wing radical parties, may create a new political situation in France and even in Europe. Countries other than France may also lay claim to it.

The problem for the communists, concerned in particular with the interests of the working classes, is to know what interests European Economic and Monetary Union will serve, if it ever gets off the ground.

Our basic policy does not rest on the defence of an imperialism, albeit European, which settles its accounts to the detriment of the living and working conditions of all working and middle-class people in the towns and in the countryside.

The international economic structures, the reduction in customs barriers etc.—have increased unemployment and the pressures of taxation in all the countries of Europe.

We are here discussing economic and monetary union, but at the recent meeting of Ministers of Economics and Finance in Luxembourg it was decided to postpone the second stage of the programme of union, which calls into question the role of this Parliament.

Bordu

Everyone knows the reasons for this postponement. However, these same ministers, at the same time, invited Governments to adopt a rigorous budgetary policy and to increase the burden of taxation. It is recommended that this increase in taxation should be hidden but nevertheless real for that.

In France it will take the form of a policy of austerity, of a new increase in prices, and of difficulties for all workers.

Europe needs a democracy, it must work for the people and in doing so live its contradictions. It must be rational, it must promote employment and social policy, so that it can fight inflation in this field too.

Europe needs peace, the peace which, as you all know, is one of the pre-requisites for coming to grips with the problem of inflation.

It is for these reasons that we cannot support the proposal which has been submitted to us, since the solution of institutional problems will not eliminate, at the supranational level, the problems of the nature of capitalism, a source of contradictions and of difficulties.

President. — I call Mr Schwörer.

May I point out that it is almost midnight.

Mr Schwörer. — (D) Mr President, Ladies and Gentlemen. The document we are discussing this evening is called 'Communication from the Commission on the progress achieved in the first stage of economic and monetary union, and measures to be taken in the second stage of this union'. This title prompts me to ask whether the document in question provides any evidence that real progress has been made or whether in fact there has not been a retrogression in the development of economic and monetary union.

Speaking on behalf of our Group, Mr Burgbacher has said that the possibility of economic and monetary union has receded further into the background instead of becoming a more immediate reality. There have been set-backs where rapid progress was expected. Did we perhaps hope for too much? Perhaps we set targets which in this short time could not be achieved. Or perhaps the Community, in its present form and particularly in the absence of a real common political will, is simply not in a position to achieve results in a field in which the national governments are powerless, or at least, unsuccessful.

I should like first of all to thank the Commission for stating clearly its attitude on the

basic problem of inflation. It has said that the increase in prices has been alarmingly rapid and that this has seriously endangered economic growth and full employment. This has helped us to move towards a position where these basic arguments are heeded in the struggle to restore stability. When we see that 'distortions in income structure and in the distribution of wealth are increasingly working to the detriment of the weaker groups' then this is a sign for us all that we should strive to bring about changes in this field.

Or if the Commission says that 'the economic and monetary control elements are becoming inoperative' we should take this as a warning that continuing inflation will constitute a danger for market economy.

Ladies and Gentlemen, I should like to thank the Commission expressly for this contribution to the fight against an increasing 'inflation mentality'.

However, another question springs to mind. Is the Commission doing everything it can to change this trend which it deplors? It has indeed made a number of proposals in the communication under discussion. However, when we read the Council's reply in the Resolution of 28 June, we see that it has not adopted all of these proposals. For example, why is there no mention of trade measures?

Nowhere in the eight-page document does it say: 'the Community will adopt this or that measure'. Instead we have 'the Member States should do this or that'. I must criticize the Council on this point because it is not making use of the scope given to it by Article 103 of the Treaty. It could, in fact, issue directives to the Member States for a common short-term economic policy.

Admittedly, in matters concerning budgetary policy, money supply policy, interest rate policy, and prices and incomes policy, the Council cannot issue directives, but if it could only win through to a common political will it could still have a decisive influence on economic policy even in these fields. Only in monetary and credit policy has any real progress been made towards a common policy. This has been achieved by collaboration between the central banks. One of the reasons for this is doubtless the special nature of this sphere, but the achievement is also due in part to the fact that a particularly level-headed assessment of the situation was made and conclusions were drawn from this.

It is my belief that this cooperation could serve as a model for other fields, for example

Schwörer

budgetary policy or medium-term economic policy. The finance ministers should be able to get together in the same way as the presidents of the central banks.

I have my doubts about whether what we are asking for in the present resolution can be achieved quickly. Despite this, however, I support what Sir Brandon Rhys Williams has said in this resolution. We must formulate and reformulate our goals, even if they cannot be achieved immediately.

To sum up:

1. The Council has an important function and real scope in matters concerning the policy of stability. Unfortunately, it does not take full advantage of this situation.

2. Although the Commission has no power of decision, it does have the right to make proposals. It should use this right and keep submitting proposals on short-term economic policy to the Council until the latter institution resolves to make full use of Article 103.

3. I believe that the Commission should be the body which competently establishes facts, sets goals and submits proposals and examples to the Member States. It should bring these up for discussion over and over again and above all, it should have the courage to voice unpopular opinions with authority.

4. The first and second stages of economic and monetary union do not release the national States from their own policies of stability. I believe that, even when European Union becomes a reality, the main responsibility for stability will still rest with the Member States. The European conjunctural policy can only be effective if the Member States allow stability to take its proper place in economic policy.

This in no way reduces the importance of the Commission. At the present level of integration, it will make its contribution if it emphasizes, publically and repeatedly, the duty of the Member States to pursue their own policies of stability as a basis and pre-requisite for European stability. It will be the Commission's task to convert the unity of this goal into common European action, which in the end will mean the achievement of economic and monetary union.

Even though the results contained in today's report are few and progress limited, and even though there may have been set-backs, I hope that the Commission will not be discouraged. In the interests of the men and women of this Community, it must continue to do its utmost to ensure that Europe becomes a community of

stability and thus contributes to real progress for its people.

(Applause)

President. — I call Mr Petersen.

Mr Petersen. — (DK) I shall be very brief. There are a few points in the proposal that are expressed in such a way that I am rather uneasy about them. This is particularly true of point 3, even with the benefit of Mr Federspiel's commentary. I shall therefore abstain from voting tomorrow.

President. — I call Mr Lange.

Lange. — (D) Mr President, ladies and gentlemen, I feel I must enlighten our Danish colleagues on a few matters. Point 3 has now been mentioned twice. The text of this is as follows:

'demands therefore that the necessary executive powers should be conferred on the Commission to implement the programme already agreed by the Heads of State or Government, and that the Parliament should forthwith be given an effective legislative and controlling rôle.'

The problem, then, concerns this legislative rôle. The legislative rôle of the European Parliament relates to European legislation, not to national legislation. The fact is that the national parliaments will not lose any of their legislative powers, but new legislative powers will be conferred on the European Parliament.

I believe that when our Danish colleagues fully appreciate the situation, they will also find acceptance for this explanation at home. The Folketing will forfeit none of its responsibilities or its legislative powers. I hope this explanation will make things a little easier for our Danish colleagues.

President. — We too, Mr Lange, hope that night will bring good counsel.

I call Mr Haferkamp.

Mr Haferkamp, Vice-president of the Commission of the European Communities. — (D) Mr President, despite the late hour, or rather, since it is already past midnight, despite the early hour, I should like to make a few remarks on this important subject.

First of all I should like to express my thanks for the report, the motion for a resolution and the contribution to the debate. I should also like to say how pleased I am at the continuous

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dialogue in which we—above all the Economic Affairs Committee—have been engaged and which has led us, at almost every part-session in the last few months, to discuss economic and monetary problems. I am thinking in particular of the short-term economic report and the report on monetary reform.

Today we have been discussing the second stage of economic and monetary union and shall shortly be coming to the report on the pooling of monetary reserves and the improvement of short-term monetary support. There will certainly be no lack of subjects for discussion in the future. Parliament's continuous consideration of these matters shows just how important they are.

There are essentially two developments which have caused us anxiety and which have also been mentioned in the speeches here: inflation and monetary problems. The Community—and this is also one of the conclusions we draw from the situation—has every reason to move more quickly towards cooperation and the establishment of a Community policy in the economic sector. The timetable established by the March 1971 Council decision and re-affirmed by the Summit Conference, provides for the completion of economic and monetary union in 1980. This leaves us 6 1/2 years—not very long to achieve so much.

Trade between the Member states within the Community is growing. It needs a solid foundation and a secure framework. The outside world presents us with many trade and monetary problems.

As a community we shall have to take a stand. Developments in the world will not wait. We must act.

As regards the proposals debated today, the Commission intentionally avoided going into minute detail. We have worked out proposals which do not provide for any changes in the Treaty. Nevertheless, these proposals should make it possible to achieve, in the next phase, concrete progress which will form the basis of the final step we shall then have to take.

In our proposal we mentioned three goals of particular importance. First the fight against inflation. In this connection, I should like to remind you that since the Council's resolution of last October all Member States have been concentrating their efforts on this problem. For a long time the fight for stability was not an effort in which all were involved. Since October, however, the situation has changed, and not only in theory. Stability programmes have been put into effect in almost all Member States, and control measures have been introduced.

This is also true of last week's Council resolution. Although we regret that, as Mr Schwörer pointed out, we are not yet in a position to do very much in the way of a true Community policy, the measures which have been agreed nevertheless represent a further intensification of the fight against inflation.

Last week's resolution also contained new elements. I would remind you of the move towards a more balanced use of investments in the Community from the short-term economic point of view. I would remind you that the measures on the tightening of money supply and the stabilization or reduction of budget growth rates in the Community have been considerably reinforced. It should be noted too, that we stressed the importance of encouraging saving.

Thus, the measures introduced since October all point in the same direction and they are being strengthened. Furthermore, this question is still on the agenda. The Commission's intention is not only to continue the fight against inflation. Last week's resolution also embraced firm procedures for keeping a continuous check on the measures adopted and, if necessary, strengthening them.

Another goal for the second stage is greater independence from other countries. This applies particularly to monetary problems. Here too, some important progress has been made in the last few months. At the monetary conferences in March the Community spoke 'with one voice.' It was the President of the Council who, both at the Paris conferences and in Washington, put forward the opinion of the Community and the Member States, after this had been established by the Council on a proposal from the Commission.

The Commission also made uniform proposals on most of the important items in the discussions on the reform of the international monetary system: on the question of the adjustment of parities and—not fully as yet—on the problems of special drawing rights. In addition, considerably more progress has been made in the last few months on the question of the consolidation of dollar balances than in recent years.

The Commission is convinced that this process will gather momentum when its proposals on the pooling of Community reserves and the improvement of short-term support are implemented.

As a third goal of particular importance for the second stage we mentioned that independent growth and social policies should be developed. Coordination of economic policy is needed. In this connection, importance attaches to what we have said over and above the rather narrow

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field of economic and monetary problems. I refer now to the sections on structural policy in which regional policy, social policy, and industrial policy are mentioned and the section in which the questions of the capital market and tax harmonization are dealt with.

In this field we have not made detailed proposals—for example in social policy—since we have been asked to draw up an action programme for social policy in the Community by the end of the year. The same is true of other fields.

The Commission has nevertheless included these topics in its report on the second stage since it is sure that the interdependent factors of this policy should be recognized and since it is also sure that economic and monetary union cannot be accomplished simply on the basis of conjunctural and monetary policy; we should take steps to ensure that the economic and social structures of the Member States of the Community are harmonized and that a better equilibrium is achieved in these areas.

I believe that the possibilities and proposals we have outlined for the second stage will create a basis from which the final step can be taken.

As I have already said, our starting point was the Council decision of March 1971, which was re-affirmed by the Summit Conference. The Summit Conference confirmed 1 January 1974 as the date for transition to the second stage. One of the Members of Parliament—I think it was Mr Bordu—stated that a decision to postpone the second stage was made in Luxembourg last week. This is incorrect. No such postponement has been agreed. In the final communiqué of the Summit Conference it was stated that the decisions making transition into the second stage possible will be taken 'by the end of the first stage', i.e. by the end of this year. There is nothing about the possibility of a postponement: It is not stated that the second stage will depend on whether or not these decisions are taken. It says: the decisions 'will be taken'. In my opinion therefore this date is no longer open to discussion. It is not a question of whether the decisions are taken, it is a question of the Council's organizing its work so that by the end of this year these decisions can be taken—for example on the numerous proposals from the Commission on the first stage, some of which have already been before the Council of Ministers for a long time. These decisions can be made quickly—it is only a question of the procedure, which has to be agreed. There are a few fields, particularly tax harmonization, on which the Commission still has to make proposals. These will be made in time for decisions to be taken before the end of the year.

It goes without saying, Mr President, that our proposals on the second stage will be drawn up in the course of the next few months on the basis of the discussions which have already been held on our proposal and which will be held in the future—for example here in the Parliament, in the Council of Ministers and elsewhere.

Our proposal on the pooling of reserves and short-term support lends practical form to the whole section on monetary problems. Discussion of this can begin immediately, as regards both the policy areas of our proposal and the technical areas. In this connection we hope that policy and policy decisions will be in the forefront.

We have announced that by the end of this year we shall make a proposal on a directive concerning stability, growth and full employment.

We have mentioned the fields of structural policy. In this connection you know that by the end of the year detailed proposals will be made, for example on regional policy and social policy. The same applies to the capital market and other fields. We shall therefore work out the proposals we have made in detail. I should, however, like to state one thing clearly: we shall not be able to have everything for the second stage worked out in detail and, in legal form by the end of the year. In the first stage the concrete proposals were not all submitted immediately on the 21st of March 1971, but instructions were issued. In the same way we shall have to continue working on practical aspects during the course of stage two.

Mention has been made of the institutional problems. With regard to the debates which occupied so much of yesterday, I do not at present propose to go any further into the problems raised or their clarification. However, as I said in another context, institutional problems are not considered by the Commission simply from the point of view of the further development of economic and monetary union, but also in connection with the factors which have played a part in today's session, and with other factors to which Mr Cheysson in particular has also referred today.

I should like to add just one thing. What we have said about economic and monetary union takes into account not only the institutions of the Community but also the fact that it is important to strengthen the participation of the social partners—something which did not come up within the narrow framework of the institutional debates but which must constitute an essential part of the further development of economic and monetary union.

Mr President, the resolution, the debates and the discussion in committee have served as a valu-

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able help and stimulation for us. The Commission has no doubt that we shall proceed further along the path described and achieve concrete results if we all make the necessary effort.

(Applause)

President. — I call the rapporteur.

Sir Brandon Rhys Williams. — I wish to say a few words to thank Vice-President Haferkamp for his welcome to the report, those who spoke this evening on behalf of their party groups and also the other contributors to our all-too-short debate.

I wish to deal with only one or two of the points raised by our Danish colleagues. I am sorry that Mr Dalsager is not in his place. He mentioned, paragraph No 8 in which we recommended that there should be greater protection for traders against changes in exchange rates. I have in mind the existing structure of futures markets, which are well developed in London and some other major financial centres. They should be made available so that small traders in provincial centres also can make it an automatic matter of business, if they are anxious about risks involved in imports or exports, to go to the banking system and obtain protection against parity changes without undue expense. Since this facility is already in existence for a large volume of trade, it is not suggesting too much in my view to recommend that it should be made available even more widely on reasonable terms.

As to social security systems, I was taking up the words in Document 68/73. I hope that Mr Feder-spiel will not think me *ultra vires* in having referred to it in particular at the beginning. The Commission refers to the mitigation of disparities in living conditions. In the course of recommendations it also deals with the idea of an unemployment fund and speaks of facilitating the free movement of workers across the frontiers, and the harmonization of personal tax and benefits on their behalf. In my view it is only skirting round the fringes of the real problem in that it must consider as part of the harmonization of living standards through the Community the effect of social security systems.

Mr Dalsager feared this might involve some increase in taxation. We must bear in mind that in some countries the weight of the welfare state is placed on employers, in others on taxpayers and in others yet again on the beneficiaries themselves. Where employers carry a heavy burden, there is an implication for competition policies which ought to be studied. We ought not to leave aside the question of

personal taxation contribution to welfare and welfare benefits when we are talking seriously about achieving a total monetary and economic union.

Finally, the question was raised about the controlling role of Parliament. It is difficult to find words which can precisely express in these rather condensed resolutions the exact meanings which might well be put into a book on constitutional change. I speak for the committee, and certainly for myself, when I say that we did not envisage any departure from the Treaty but rather an organic shift of emphasis between the major institutions of the Community—that is, the Commission, Parliament and Council—so that Parliament should emerge more rapidly than may have been envisaged as a guiding force and an important supervisory and directing element. If there was any fear in the minds of our Danish colleagues that what we intended was a take-over by the European Parliament of the role of our national parliaments, I assure them that that was very far from our thoughts.

I hope that the debate will have been of value to the Commission, and particularly to Vice-President Haferkamp. I hope that he will regard it as a warning that we are impatient for progress and a tribute to him that we expect great things of him and have confidence that he will achieve them.

President. — There are no more items on the agenda.

I thank the rapporteur, the chairman of the Committee on Economic and Monetary Affairs and Mr Haferkamp, as well as all those who have stayed with us during this long evening.

In accordance with our decision, the vote on the motion for a resolution contained in Sir Brandon Rhys Williams' report will take place tomorrow morning.

20. Agenda for next sitting

President. — The next sitting will be held on Thursday, 5 July 1973, with the following agenda:

10 a.m. to 1 p.m. and 3 p.m. to 7 p.m.:

- Vote on the amendments and the motion for a resolution contained in the interim report by Mr Spénale on the strengthening of the budgetary powers of Parliament;
- Vote on the motion for a resolution, contained in the report by Sir Brandon Rhys Williams on economic and monetary union;

President

— Interim report by Mr Delmotte on regional problems in the Community;

— Report by Mr Scott-Hopkins on aid from the EAGGF in 1973;

— Vote without debate on the motion for a resolution contained in the report by Miss Lulling on plant seed and seed potatoes;

The Committee on Agriculture has asked for a vote without debate.

— Report by Mr Früh on the market in sugar;

— Vote without debate on the motion for a resolution contained in the report by Mr Heger on intervention prices for cereals;

The Committee on Agriculture has asked for a vote without debate.

— Oral Question No. 60/73, with debate, by Mr Frehsee on agricultural surpluses in the Community.

The sitting is closed.

(The sitting was closed at 12.30 a.m.)

SITTING OF THURSDAY, 5 JULY 1973

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IN THE CHAIR: MR BERKHOUWER

President

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

President. — The sitting is open.

1. Minutes

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

Are there any comments?...

I call Mr Dich.

Mr Dich. — (DK) I have just heard the President announce that the minutes have been distributed. For two days running there have been

no minutes available in Danish, so I am not in a position to approve minutes which do not exist.

President. — Mr Dich, this shall be rectified.

As the minutes of proceedings are not yet available in all the official languages, we shall move on to the next item on the agenda.

2. Membership of committees

President. — I have received from the Christian-Democratic Group a request for the appointment of Mr Van der Sanden to the Committee on Development and Cooperation, to replace Mr Schuijt.

Are there any objections?

The appointment is ratified.

3. *Strengthening of the budgetary powers of the European Parliament (vote)*

President. — The next item is the vote on the motion for a resolution contained in the report drawn up by Mr Spénale on behalf of the Committee on Budgets on the proposals from the Commission of the European Communities to the Council on the strengthening of the budgetary powers of the European Parliament (Doc. 131/73).

I would remind Members that in accordance with the decision taken yesterday there will be no statements of voting intentions. Only the rapporteur, and possibly the rapporteur for the opinion, will be allowed to comment on the amendments.

On the preamble and paragraph 1 I have no amendments.

I put these texts to the vote.

The preamble and paragraph 1 are adopted.

After paragraph 1, I have Amendment No 5, tabled by Mr Patijn on behalf of the Socialist Group.

What is the rapporteur's position?

Mr Spénale, rapporteur. — (*F*) Mr President, I should like to make it clear that I am speaking on my own behalf, since the Committee on Budgets has not been able to hold a further meeting. In my opinion, this amendment presents no difficulties to the Committee on Budgets, where we expressed our agreement.

President. — What is Mr Kirk's position?

Mr Kirk, rapporteur for the opinion. — Speaking personally, I have no objection.

President. — I put Amendment No 5 to the vote.

The amendment is adopted.

On paragraphs 2 to 8 I have no amendments.

I call Mr Fabbrini.

Mr Fabbrini. — (*I*) I asked yesterday that a separate vote be taken on paragraphs 1 to 4.

President. — That is understood, Mr Fabbrini.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

We can now vote on paragraphs 5 to 8, taken together, on which, as I have just announced, I have no amendments.

I put paragraphs 5 to 8 to the vote.

Paragraphs 5 to 8 are adopted.

Yesterday, the vote on Amendment No 2 to paragraph 9 was deferred until after the vote on Amendment No 1 to paragraph 11.

We shall now consider paragraph 10, on which I have no amendments.

I put paragraph 10 to the vote.

Paragraph 10 is adopted.

Amendment No 3 to paragraph 11 has been withdrawn.

Following yesterday's discussion, Amendment No 1 has been slightly modified. It now reads as follows:

'11. Proposes the establishment of a joint working party of the Political and Budget Committees of the Parliament to examine in detail together with the Commission the Commission's proposals and that these Committees should report back to the September Part-Session.'

I put Amendment No 1/rev. to the vote.

The amendment is adopted.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

We shall now consider Amendment No 2 and paragraph 9, which had been deferred.

I call Mr Pounder.

Mr Pounder. — That raises some problems. In the light of the decision on paragraph 11, Mr President, may I have your permission to withdraw the amendment to paragraph 9?

President. — Amendment No 2 is withdrawn.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

On paragraph 12 I have no amendments.

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

I put to the vote Amendment No 4 to paragraph 13.

President

The amendment is adopted.

I put paragraph 13 so amended to the vote.

Paragraph 13 so amended is adopted.

On paragraphs 14 to 16 I have no amendments.

I put these texts to the vote.

Paragraphs 14 to 16 are adopted.

I put to the vote the motion for a resolution as a whole incorporating the various amendments that have been adopted.

The resolution so amended is adopted¹.

4. Communication from the Commission on the progress achieved in the first stage of economic and monetary union and the measures to be taken in the second stage of this union (vote)

President. — The next item is a vote on the motion for a resolution contained in the report drawn up by Sir Brandon Rhys Williams on behalf of the Committee on Economic and Monetary Affairs on the Communication from the Commission of the European Communities to the Council on the progress achieved in the first stage of economic and monetary union, on the allocation of powers and responsibilities among the Community institutions and the Member States essential to the proper functioning of economic and monetary union, and on the measures to be taken in the second stage of economic and monetary union (Doc. 107/73).

I call Mr Dalsager on a point of order.

Mr Dalsager. — (DK) Mr President, I do not of course wish to resume the debate, but I simply wish to point out that the report we are now voting on is a report on the communication from the Commission to the Council (Doc. 68/73). This document is not available in Danish.

It is the second time in the course of a few days that important documents from the Commission have not been translated into Danish.

I should like to request, Mr President, that, in future, matters are not placed on the agenda unless all the relevant documents are available in Danish.

President. — I shall look into this matter. As you know, I am very concerned by the problems of interpretation into Danish and the distribution of documents in Danish. I shall do every thing within my power to prevent further

occurrences such as the one which you have mentioned.

I put the motion for a resolution to the vote.

The resolution is adopted¹.

5. Approval of minutes

President. — The minutes of proceedings of proceedings of yesterday's sitting have now been distributed in all the languages.

Are there any comments?

The minutes of proceedings are approved.

6. Community regional policy

President. — The next item is a debate on the interim report drawn up by Mr Delmotte on behalf of the Committee on Regional Policy and Transport on Community regional policy (Doc. 120/73).

Before we hold the debate, I should like to point out that we must finish by 7 o'clock this evening. After yesterday's sitting, which lasted until after midnight, some members of staff were unable to return to their hotels until after six o'clock this morning. For the sake of these officials we must not allow the sitting to continue after 7 p.m.

Consequently, any points on the agenda which cannot be dealt with today shall be placed on tomorrow's agenda.

I call Mr Delmotte, who has asked to present his report.

Mr Delmotte, rapporteur. — (F) Mr President, ladies and gentlemen, before presenting my report, I should like to say to the members of the other parliamentary committees concerned with regional problems that the Committee on Regional Policy and Transport deplures the circumstances in which it had to research and present this report, in other words before it had the opportunity to find out the opinions of, for example, the Committee on Budgets and the Committee on Agriculture. In fact, the opinion of these committees were delivered to us only a few minutes ago.

Mr President, the Commission did not submit its report on regional problems to Parliament for information until 16 May 1973, although the Heads of State and Government asked for a

¹ OJ C 62 of 31. 7. 1973.

Delmotte

report to be prepared at the time of the Paris summit declaration in October 1972.

The Commission has already decided to postpone submitting formal proposals to the Council from the end of June to mid-July, so that Parliament's debates on the subject could be taken into account.

It was therefore necessary for Parliament to debate the question at the present part-session, so that the work of the committees had to be speeded up, which caused difficulties. It is essential that the Commission's proposals for dealing with regional problems should be supplemented by consultations between Member States with a view to coordinating national regional policies, and later by the creation of a regional development fund to be set up by 31 December 1973.

Parliament itself could not deliver an opinion solely on those two points to which the Commission intends to give priority. The whole concept of regional development had to be dealt with. This standpoint fits in with the line Parliament has always followed on regional policy, a line which has been reflected in the very relevant reports presented by Mr Motte, Mr Mitterdorfer, Mr Birkelbach and Mr Bersani, and certain resolutions arising from these reports, including the resolution of 27 June 1966, following Mr Bersani's report, calling for the establishment of a special fund to finance regional development.

The report submitted by the Commission for our comments is short, but is followed by a lengthy appendix. Despite its brevity, it contains a concise analysis of regional imbalance, an attempt at justification from the moral, ecological and economic points of view, and guidelines for a regional policy.

The last two sections of the report deal with the operation of the fund and the coordination of regional policies.

Mr President, to summarize briefly the Commission's analysis of regional problems, may I draw your attention to three points which are discussed in the report. First, despite the intervention policies of Member States, the gap between the highest and lowest incomes in the enlarged Community continues to be in the ratio of 1 to 5.

Secondly, there is still a high rate of unemployment in certain areas, a structural underemployment which continues to be a serious problem in areas where it is camouflaged by the artificial support of declining sectors of activity.

Finally, certain areas are still over dependent on outdated methods of farming or declining industries.

Justifying the Community's intervention in regional development, the Commission points to the risk of disenchantment with the idea of Europe if the Community fails to direct its resources towards human resources and reverse the process by which wealth is attracted towards places which are already wealthy.

At a time when it is becoming apparent that economic growth is not an end in itself, the basic aim of working and living conditions should be pursued with a view to reducing poverty, unemployment and forced migration in certain areas, and also to overcoming the impoverishment of the environment and the other detrimental effects of concentration in overpopulated urban areas which, economically, have reached saturation point. This situation is harmful from a social point of view, and from an economic point of view is more costly than a positive intervention policy.

The Committee on Regional Policy and Transport, whose interim report I am presenting today, agrees with the Commission's analysis of regional imbalances and its justification for a regional policy. However, it regrets that the Commission has disregarded or attached insufficient importance to certain needs which it is absolutely essential to take into account if we are to effectively devise and implement a Community plan of action on regional problems.

A preliminary requirement is to improve on the present inadequate statistics. The Committee on Economic and Monetary Affairs has stressed this point on several occasions, notably in a report by Mr Riedel. There is an urgent need for the statistical gaps to be filled, and for the statistics to be made more comparable.

When this has been achieved, the descriptive statistics method will have to be replaced by the building of models. As it is impossible to build models unless one knows the links of interdependence and causality connecting the problems being studied, the economic principles of regional development will have to be defined.

I think that the Commission, in its report, misjudges the importance of these principles, for example the importance of the human factor. Insufficient weight is attached to the fact that the populations of farming areas or declining industrial areas represent, unwittingly of course, a major obstacle to development, by which I mean that they are not prepared or equipped for regional development, owing to the inadequacy of education and vocational training in these areas.

Delmotte

This, combined with the emigration of the younger and better trained members of the active population, is the basic cause of stagnation in farming areas and declining industrial areas. With no competition from newer industries, the traditional industries are carried on, and are controlled by the older and more conservative elements in the community.

It must be emphasised that private enterprise will not, in itself, be sufficient to start the process of development in these problem areas. The aim of private enterprise is to obtain maximum profitability from investment. Naturally private companies cannot be established in areas where they alone would have to deal with the problems arising from unsatisfactory prospects for profitability. Thus governments contributions will be needed to improve the situation in the development areas.

In any case, regional development is not merely a question of economics; social and cultural development are at least as important as economics in creating and especially, maintaining independent growth.

We must therefore replace the economic concept of regional development by a broader view, the basis of an overall policy for regional development. The extent of the action to be taken will require a development plan which will cover the whole of Europe and take into account the special needs of each region so that its development can be anticipated and promoted.

This plan will prevent contributions from the Community from being too widely dispersed over the area, while at the same time excessive amounts of aid will not be concentrated on a few centres. Nevertheless it will have to be worked out in such a way as to take advantage of the economies of scale and external economies deriving from the centres of population.

Resources must therefore be concentrated on centres of development whose activities will spread to stimulate development in the surrounding areas. Areas to be covered by these development schemes must thus be clearly defined.

In this connection, it must be admitted that it is difficult to specify the size of a development area. It is also difficult to choose a cohesive area, as so many factors are involved, for example the socio-economic composition, demography, ecology, institutional framework, traditions. Regional and community policy, and national policies, will have to be coordinated initially on the question of defining development areas.

We should bear in mind here two basic principles.

First, Community policy should be complementary to national policies. At present, regional imbalance has been exacerbated by the establishment of the Common Market. But at the same time the Treaties have limited the powers of the national governments to counteract these imbalances, without vesting sufficient powers in the Community institutions. This gap must be filled. Community policy should take over at the point where a national policy, through lack of resources or limited powers, becomes ineffective.

If we further admit that a national policy is no longer possible in the context of a European Common Market, Community policy should not be regarded as complementary to the sum of national policies, but should bring together all the national policies within the framework of medium-term planning, making any adjustments considered necessary.

This brings us to the second basic principle, European solidarity.

As well as allowing their policies to be amalgamated into a single policy, Member States will have to make substantial contributions to the cost of regional development, on the understanding that these contributions will be devoted to those areas which are most underprivileged in relation to the Community as a whole. These states will also have to agree not to deduct from their own budgets equivalent amounts to those which they receive.

This solidarity may seem restrictive, but it is essential if the European Community is to evolve and become stronger.

We must also acknowledge once and for all that regional policy is an overall structural policy. As such, it should not depend solely on normal sources for contributions, but should be coordinated with all the sectorial policies leading to coordinated action in the context of regional development plans.

To conclude, Mr President, Parliament must call upon the Commission to go further than the financial measures envisaged for the regional development fund. It would be a good idea to consider setting up a Community technical assistance scheme, and establishing scientific and cultural centres in the under-developed areas. It would also be useful for the Community to be notified of any large-scale private investments, so that they could be coordinated with public schemes. All these possible courses of action should be considered by the regional develop-

Delmotte

ment committee which will be set up at the same time as the regional development fund.

Apart from the suggestions I have just made, the committee could also comply with a request made some time ago by Parliament and propose the establishment of a European office for documentation and information on regional policy, and could take positive action on the question of improving statistics.

As time is limited, I shall confine myself to this preliminary statement, apologising once again to the members of the committees concerned for the way in which we have had to work since 16 May. We are only at the interim report stage, and everyone here is fully aware that after the recess we shall have to apply ourselves seriously, and in less of a hurry than before, to preparing another report setting out the policy we intend to follow.

However we were pleased to be able to observe the deadline of 18 July, as requested, in spite of all our difficulties.

(Applause.)

President. — Ladies and gentlemen, I would remind you that it was decided to limit speaking time to 15 minutes for rapporteurs and 10 minutes for other speakers.

I call Mr James Hill.

Mr James Hill, *chairman of the Committee on Regional Policy and Transport.* — I wish first to thank Mr Thomson and his department for postponing a decision on his detailed proposals until later this month in order to give time for the Committee on Regional Policy and Transport and Parliament to consider his report. We have appreciated this, but the committee has had to work hard in order to present what is only an interim report in order that it could be considered this week. I very much regret that the committees to which the report has been referred for opinions have simply not had time to deliver their opinions. Nevertheless, the balance of advantage was definitely in favour of having an interim report from the committee and a debate today.

The committee will continue to study the report, the forthcoming Commission statement and the opinions of the other committees in the autumn. A second report will then be drawn up incorporating all their views.

Secondly, on behalf of the committee, I offer my warm thanks to Mr Delmotte for presenting a constructive and thoughtful interim report and steering it so ably and patiently through the

committee. The House owes Mr Delmotte a debt of gratitude for his fine work.

Two passages in the Commission's report deserve emphasis. First, it is clear from the annex to the report which contains much detailed, useful and statistical information that no Member State can claim to have had anything like complete success with its regional policy. I believe that this is as true for the original Six as it is of the three new Member States. To my mind in regional policy there is a need for a Community approach and an attempt to find a solution on a Community basis.

One of the elements of Community regional policy in the last ten years which has served to stultify progress has been the concept of 'just return' for contributions made by Member States to the Community. This concept has been a false criterion for the allocation of regional aid and the committee was strongly in agreement with the Commission that it must be abandoned.

My second point, which again was made by the Commission, is that the creation of the Regional Development Fund is not simply a method by which better-off regions subsidize less fortunate ones. There has been a growing realization in the last five years that so-called better-off regions have problems of over-concentration, poor environment and pollution which justify them in seeking regional aid as a means of helping to solve these problems. Therefore, a Community regional policy must balance urban problems against problems of under-populated areas, the needs of concentrated areas against those where terrain is difficult and population sparse. Also, in a Community stretching from the Shetland Isles to Sicily, a balance must be struck between north and south and between areas whose history and peoples have for centuries followed different paths.

Part IV of the explanatory statement in Mr Delmotte's report states that the committee in general approves the analysis of regional imbalances and the case for a Community regional policy presented by the Commission. But the report goes on to state that the Commission has failed to take account of certain vital factors. I shall not go through all these factors because Mr Delmotte has already covered some of them in his speech. But I should like to emphasize one which I regard as one of the two points which form the core of the report.

There was a widespread and spontaneous feeling in the committee that greater emphasis must be laid on the human factor in considering regional policy development. It is essential that economic measures be tailored to human needs. It is a waste of time to work out theoretical regional

James Hill

policies which would please the economists in the Commission and in government departments but which do not take account of the realities of life as seen and felt by people in the regions.

A simple example of this is that when a coalfield is in the process of being run down, perhaps in South Wales, Belgium or the Ruhr, new industries must be brought to the area to provide work for miners soon to be unemployed. But careful and realistic planning is needed to ensure that in the industries to be brought in it will be possible for ex-miners to be employed after retraining.

The second and vital aspect of the need to consider the human factor is that the support of the people in problem areas must be sought and won. How is this to be done? The committee spent time in discussing this point and I wish to make some suggestions which I hope the Commission will consider in forming its detailed proposals.

Local authorities must seek solutions to regional problems and encourage people in the regions to participate in this process. Consultations must be held with other regions to study solutions to common problems and with national governments. People in problem areas need practical signs of help to encourage them to stay in the regions and to rebuild their lives there.

One point omitted in the report of the Commission was the question of dereliction. This is a particular problem of inequality between areas. Because it is relatively easy to diagnose, quantifiable and often long-term, its removal seems to be a particularly useful investment for Community funds and one that would be in line with the general intention of increasing, not distorting, fair competition.

This leads me to consider the place of private enterprise in regional planning. When talking of planning, it is easy to concentrate on action by public authorities and to forget that planning in democratic countries provides the framework within which private initiative and endeavour can be most advantageously pursued. This means helping the young man setting up his own firm in a problem region as well as encouraging a major company to open a big new plant.

I welcome the Commission's emphasis on flexibility in deciding which regional development projects should receive Community aid. We must never — by talking of grandiose planning schemes or by using jargon phrases such as 'decongestion' and 'regional disequilibria' — forget the people for whom, with whom and by whom regional policies exist and can succeed.

Community regional policy must be founded upon national regional policies, as the Commission says.

At first the regional development committee will be mainly concerned with coordinating existing national policies and applying Community guidelines to them. But if people in the problem regions have lost faith in national regional policies—as I believe is happening in many areas—the committee must be prepared to put forward Community plans.

The regional development committee must ensure that, in the Commission's words in section 35 (iii) of its report, 'programmes of regional development could become the framework for the intervention and coordination of national and Community regional policies'.

It is a matter in each case, Mr President, of the Community bridegroom leading the willing national bride to the altar rather than dragging her there against her will.

Mr Delmote, in paragraph 20 of his report, states: 'operations financed by the regional development fund should be made conditional on the introduction of development programmes not limited merely to economic aspects'.

This raises several questions, in my mind, for the Commission. First, if a national government continues to give to problem regions assistance which does not meet the Commission's guidelines, as set out in Section 29 of its report, what sanction can the Commission wield against that government other than to refuse it help from the fund? Secondly, is this sanction, in the Commission's view, sufficiently strong? Thirdly, does the Commission see a danger of national governments continuing to follow anti-Community regional policies in the interests of their own problem regions?

After the debate yesterday on the Commission's proposals for extending Parliament's budgetary powers, honourable Members will have these matters much in mind when seeking to study the proposed mechanism of the regional development fund. This raises the question in my mind—I expect it will have occurred to other Members—of whether the Commission has really thought out the fund mechanism proposed in Section 31.

Four bodies are involved: Member States seeking aid for projects; the fund committee; the regional development committee; and the Commission itself. Larger projects will have to survive scrutiny by all four bodies. In theory, such close examination of regional projects is a worthy ideal, but it might lead to a period of time unacceptable to applicants and to the regions concerned.

James Hill

I should prefer a simpler system eliminating reference to the Commission on all but massive schemes, such as the Channel Tunnel, on which I believe the Commission has so far not, or hardly, been consulted. The Regional Development Committee would be consulted on larger projects only, thus leaving Member States themselves with the primary duty of formulating schemes which followed Community guidelines.

I should add three further vital checks: those of the Court of Auditors proposed by the Commission, the public accounts committee agreed to, in principle, by Parliament, and the Committee on Regional Policy and Transport.

Regarding examination of the regional development fund by the Court of Auditors, I will not traverse ground covered in yesterday's debate, except in one respect. It is unfortunate that the court has not been linked by some method to Parliament through Parliament's public accounts committee. Nevertheless, I hope that the Commission will agree that examination of the court's annual report by the accounts committee would provide a valuable and essential check on the operations of the regional development fund.

My committee will also, in the words of the motion, wish to 'make a continuous study of these problems'. It may in future wish to conduct follow-up inquiries or 'spot-checks' on certain categories of regional aid or on aid given to certain projects.

In the areas to be assisted by the fund I should point out that in 1971 the representatives of governments of Member States meeting with the Council defined areas in states with regional problems as 'central' and 'peripheral'. A ceiling of 20 per cent of subsidy was imposed on 'central areas' which did not suffer from the economic disadvantages imposed on 'peripheral areas' by factors such as topography, climate and inaccessibility. From the point of view of the United Kingdom, the Commission has designated the whole of Ireland as a 'peripheral' area but has postponed a decision on 'peripheral' areas in Scotland, Wales and England.

Certain areas in England have been designated as 'central areas', as might be expected. But I should think that few Members would doubt that Scotland qualifies as a 'peripheral' area, with its outlying islands to the west and far to the north. For example, Shetland is almost as close to Norway as it is to Scotland. In the great mountainous region of the Highlands in the north and west of Scotland the terrain is rugged, the soil is poor, and communications are difficult. In the Central Lowlands the problems are of traditional industries running down, bad housing, and high unemployment.

The case for designating the whole of Scotland as a 'peripheral area' is, in my view, strong. Many of the same considerations apply to the northern region of England and also to Wales. I hope that the Commission, in considering its final decision, will give full weight not only to the criteria of unemployment, gross domestic product per head and migration movements, but to the special nature of regional problems in the development areas.

In helping to fulfil this task, the Committee on Regional Policy and Transport will wish to play a full and continuing part. Mr President, the eyes of our constituents in the problem regions of Europe will be directed, not only to their national governments and parliaments, but to the Commission and to this House. They will look to us to ensure that the Community works out and carries through a just and forward-looking regional policy which will enable us to achieve the object set for us by the Treaty of Rome of a continuous and balanced expansion bringing benefits, directly and indirectly, to all the citizens of the Community.

With those words, I commend Mr Delmotte's interim report warmly to the House.

(Applause)

President. — I call Mr Mitterdorfer, rapporteur for the opinion of the Committee on Economic and Monetary Affairs.

Mr Mitterdorfer. — *(D)* Mr President, honourable Members, I should firstly like to thank Mr Delmotte for the difficult work which he has done in such a short time. As you know, we did not have much time to discuss this subject and as a result the committees asked for their opinion were not able to support the rapporteur of the committee responsible with a written opinion within the prescribed period. At any rate, the work done by Mr Delmotte is excellent and deserves our admiration.

The Commission prefaces its report with point 5 of the final communiqué of the Heads of State or Government of 19 to 21 October 1972 and in its subsequent deliberations attempts to give a general survey of the situation with regard to regional policy in the Community. It describes a state of affairs which due to its unsatisfactory development has kept the European Parliament particularly busy since 1969, that is since the submission of the Commission's proposal for a decision on how the Community should proceed in the field of regional development. Apart from generalizations on what a Community regional policy and the objectives of the Community's strategy in this respect should be, the report really only

Mitterdorfer

confirms the necessity for the creation of a regional development fund. In its comments, the Commission attaches considerable importance to a committee to help it with the administration of the fund. In addition, the Commission intends urging the Council—another point in this report—to create a committee on regional development which would deal in particular with the coordination of the Member States' regional policies. On behalf of the Committee on Economic and Monetary Affairs I should like to make a few remarks on this.

Firstly, the fund itself. When deciding on the form of the fund the Commission should remember that from the outset it is to be a Community fund for regional structural policy which guarantees not only the planned lower interest rates, in line with the importance of the cultural policy tasks, but also adequate loans and capital subsidies (premiums). The Commission should give detailed information at the earliest opportunity on the special tasks it is thinking of entrusting to the European Investment Bank.

In this connection, thought should also be given to the possible effects of the operations of a fund on conjunctural policy, especially at a time when a restrictive credit policy is being recommended in most countries of the Community in an effort to combat inflation.

As in the past, the question arises with regard to the activities of the fund as to what criteria would be applied to the utilization of monies from the fund. The criteria enumerated in paragraphs 22 to 25 of the Commission's report would probably not be sufficient and should, as the Commission itself admits, be supplemented by further indicators. The Commission should give Parliament details on the state of its discussions with the Member States on this subject as early as possible. The setting of criteria basically depends on statistical information and other data. As is also pointed out in the report by the responsible committee—as Mr Delmotte has just said—the committee on Economic and Monetary Affairs asks with some concern how the doubtlessly necessary comprehensive statistical surveys are to be conducted with the available staff and technical facilities.

I should like to remind you of the comments made on this subject in Mr Riedel's reports in 1971 and 1972.

Secondly, the size of the fund. Sufficiently accurate figures on the financial requirements for structural policy measures in the Community's secondary sector of the economy—craft trades and industry—should be available. Only if the actual financial means required are

known can a discussion on the size of the new fund produce concrete results. I must say that the wording used in the motion for a resolution—Mr Delmotte will not take this amiss—does not seem to me exactly very clear when it says that substantial resources should be made available. Of course they should be substantial, but substantial in relation to a definite task. We have to be able to create a basis for this word 'substantial', to define it clearly. In my opinion, 'adequate resources', in other words resources adequate to allow the task set by reference to the criteria to be fulfilled, would be a more fortunate term.

Thirdly, the regional development committee. It should be pointed out that the Commission is moving away from its original intention—Mr Thomson knows this already because we have often talked about it—of subordinating the regional development committee, which, if parliament has its way, will also include regional representatives, to the Commission and is in favour of placing it, as it were, between the Council and the Commission, with a representative of the Council as the chairman.

No details have been given about the responsibility of the members, their number, etc. These will no doubt follow at a later date. But we can clearly see that this is a step backwards as compared with the 1969 proposals. Also worthy of note is the fact that the Commission makes only very implicit mention of its former work, proposals and ideas, which it discussed in detail with the then Economic Affairs Committee. From the European Parliament's point of view, this is all the more regrettable as there is a danger that the suggestions for the inclusion in the regional structural policy of a guarantee system and information system—the latter has just been mentioned in the report—and the suggestion made by this institution for the last 4 years that projects of importance in regional structural policy should be implemented at a supranational level will not be considered in the new discussions.

Care should be taken that the Community policy benefits the regions by being placed in proper relation to the political measures taken to create an economic and monetary union. Remarks such as the statement that economic and monetary union 'may well accentuate differences between the regions' should in future be the subject of detailed discussion between the appropriate parliamentary committees and the Commission.

The same applies to the Commission's remarks—this is the gist at least—that although it is in principle in favour of liberalization of trade, it should be pointed out that a prerequisite for

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its realization must be that the poorer regions and their inhabitants should not have to pay too high a price in the long run. Here again clarification is very much called for.

In addition, it is noticeable that the Commission makes absolutely no mention of the role to be played by Parliament in the establishment of a regional structural policy. Once again, every effort should be made to prevent pertinent demands by Parliament and resolutions tabled in the last few years from being, as it were, brushed aside through the announcement of new proposals.

In the next few weeks, the committees concerned should discuss their apparent motives for describing their former proposals to the Council, frequently defined at the time as a possible and realistic optimum, as now being out of date. Having suggested in its proposed decision in 1969 an interrelated set of measures—regional fund, economic system, information system, advisory committee, development plans, etc.—the Commission would be well advised not to announce without comment proposals which to all appearances represent just a few flowers from the former bouquet.

Otherwise it will look to us as if the Commission's first steps, about which we have known for years, are getting smaller with every proposal. It is also possible that the development of the Community has regrettably provided the evidence that the first steps announced were in fact too big. We as a Parliament can, in any case, hardly agree to an idea of this kind.

Having said this, the Committee on Economic and Monetary Affairs at any rate expects the dialogue with the Commission on a more definite form for the proposals to be intensified so that no time is wasted in the future—in view of not only set timetables but also further proposals which should follow the first necessary ones. Once the required clarifications have been provided, we must help the Community to establish at last an organic structural policy.

(Applause)

President. — I call Mr Pounder, rapporteur for the opinion of the Committee on Budgets.

Mr Pounder. — May I at the outset express to Mr George Thomson the sincere thanks of the Committee on Budgets for his impressive report and for the speed with which he has taken on board this very important subject of regional policy and been able so quickly to give his initial thoughts to Parliament. The committee is also deeply grateful to him for holding back

his final proposals until after Parliament has had an opportunity to express its views. Likewise, the committee would very much like to express its sincere thanks to Mr Delmotte for his excellent interim report.

Although high priority was given to the establishment of a meaningful regional policy by the Community's Heads of Government at their summit meeting last October, one question comes immediately to mind: what steps have been taken by the governments of Member States since last October to coordinate their regional policies? The firm impression which one gets is that no steps have been taken.

The Committee on Budgets is inevitably in some difficulty in that the definitive regional policy proposals have not yet been formulated, and the sums to be earmarked for the regions have not yet been decided. Therefore, in the absence of definitive proposals, all that the committee can do at this stage is to offer a few comments on the financial elements in the guidelines drafted by the Commission and on the budgetary problems which are raised by the regional development fund.

Although many people talk with impressive fluency on the need for a European regional policy, to someone like myself who is a committed regionalist high-sounding phrases are no substitute for the creation of a realistic policy supported by finances adequate to make that policy effective. It should be clearly understood that the Community's regional policy should be supplementary to national regional policies and certainly not a substitute for them. Mr Thomson will readily understand and appreciate, as does the committee on whose behalf I have the pleasure to speak, that we in Northern Ireland expect to derive considerable benefit from the regional fund when it is established.

However, a fair balance between the regions of the Community in the allocation of development projects should be, and indeed must be, a primary objective. I understand that the fund will concentrate on those regions whose needs are greatest in relation to the Community as a whole and that therefore the concept and system of the fair return policy will, one hopes, be ruled out once and for all. Plainly the resources will be employed with flexibility. We already know the basic three criteria in the Commission's mind in considering the detailed developments of those areas in the Community which are likely to benefit most.

In our view, however, it is absolutely essential that there should be a fair balance in the distribution of development projects between the regions. Equally, there should be a positive and

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determined policy to reduce concentration in congested areas of the Community on both economic and environmental grounds. One of the ideas of the Committee on Budgets is that a policy of decongestion can be effectively implemented only by fiscal measures such as tax advantages, aid and subsidies for capital investment outside congested areas, on the one hand, and the consideration of repressive fiscal measures such as tax penalties, a ban on capital investments exceeding a certain figure, and so on, on the other. The Committee on Budgets considers that the Commission should propose Community rules under the heading of tax advantages, and tax disadvantages for those who wish to pursue a contrary policy. Personally, I would much welcome consideration of the concept of penalties and advantages.

A feeling which was strongly expressed in the committee when the Commission's report was being considered concerned the question of the environment. It was thought that when industrial expansion was being planned in fully developed regions the environmental aspect was every bit as important as the economic aspect and that sight should not be lost of it.

I turn to the matter of the size and funding of the regional development fund.

Although the initial sum which the Community is to earmark for regional development has not yet been finally decided—nor has the means of providing the necessary funds been determined—the committee takes the view that if it is to be meaningful the fund must be reasonably large and that, frankly, a scale of 50 million units of account is clearly totally and wholly inadequate if regional imbalances are to be corrected. The committee expresses the view that a figure of about four or five times that amount must be the absolute minimum to which any serious consideration should be given.

Additionally, the Committee on Budgets takes the view—and I am happy to express it because I wholly concur with it—that, rather than having the fund based on a given figure of whatever number of million units of account is finally decided, with that being, say, reviewed annually or at whatever period of time may be thought necessary, we should not have a grace-and-favour type of financing but instead a specific percentage—and I am thinking in terms of the Community's own resources—of the budget appropriation to be allocated to regional policy requirements. For instance, one might think in terms of, say, a certain percentage of the revenue raised by value-added tax in the Community, which could be earmarked specifically for regional development. As the Community fund increased, therefore, so the value of the percen-

tage would provide more funding. This view is strongly expressed by the Committee on Budgets in considering the form of funding for the regional development fund.

An equally important issue in the minds of members of the committee was the role of the European Parliament in defining Community regional policy and in the level of spending. It was felt by the committee that in such an important area of Community policy as that of the regions, it would be improper for very important decisions to be taken without the democratic body of the Community, namely this House, having a real say.

I will conclude—and I think, Mr President, that I am well within the time which you have kindly allotted to me. As I said at the beginning, the view at this stage of the Committee on Budgets can be no more than an interim opinion pending the receipt in due course of the definitive proposals from the Commission. In view of the number of major headings on which there is no final decision at this stage, it is difficult, if not impossible, for the Committee on Budgets to give any firm views or opinions. What it has sought to do—and I hope that I have faithfully represented the committee's views—is to take the various headings and to indicate its thinking at this time as it sees the problems and issues and their likely development. But certainly the committee very much commends the Commission's interim report and looks forward in due course to the final definitive proposals from Mr Thomson.

(Applause)

President. — I call Mr Bertrand, rapporteur for the opinion of the Committee on Social Affairs and Employment.

Mr Bertrand. — *(NL)* Mr President, you will understand that the Committee on Social Affairs and Employment has noted with the greatest interest the report published by the Commission on the regional problems in the enlarged Community. We are especially pleased that the Commission has placed this document at the disposal of Parliament to permit the latter to have a fact-finding debate before it submits its final proposals to the Council at the end of this month. This procedure permits us to inform the Commission of our views before it establishes its final text.

We were unable of course to examine this report in detail. We did not have enough time for that.

Mr Delmotte is all the more deserving of our admiration for having succeeded in so short a

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time in presenting an interim report summarizing the principal aspects of the institutional questions, the budgetary problems, the conception of the regional development fund and the task of the Committee on Regional Development and Transport. This has made it possible for Parliament to draw up a number of opinions on these matters.

At this stage of the discussions the main aim of the Commission on Social Affairs and Employment has been to make a contribution to the debate on the interim report by Mr Delmotte and to make its voice heard on a problem that is of the greatest importance for the Community's social policy.

As chairman of the Committee on Social Affairs and Employment, I should like here to lay emphasis on the social considerations which are in themselves enough, as the rapporteur himself stressed, to justify an overall Community regional policy. It should not be forgotten that already in the preamble of the Treaty of Rome attention was drawn to the need for constant endeavours to reduce the difference in the standard of living between the various areas and to reduce the arrears of the less-favoured areas. So far, in the fifteen years that the EEC has been in existence, we have taken few or no decisions on these points. Furthermore, everyone is convinced of the necessity for urgent measures to be taken to improve the general environment of life, not only in the backward and less-favoured regions, but also in the more favoured areas where the quality of life is sometimes placed in jeopardy by the excessive concentration of industry.

The Committee on Social Affairs and Employment wishes to adduce an even more conclusive argument for an overall regional policy within the Community.

For years now we have been advocating a truly free movement of workers, i.e. movement based on a truly free choice by the workers in question and not a migration compelled by structural unemployment, such as exists in certain areas of the community, or by the lack of worthwhile prospects.

We have repeatedly called for a policy that brings industry to the workers rather than sends the workers to industry; with a regional policy, the Community could bring about great changes in the present situation, which, as I have already said, is not really in keeping with what we are wont to call a policy of free movement of workers.

The Committee on Social Affairs and Employment is in no doubt that the social objectives

of the European treaties should always be given an important place and that a European regional policy should contribute to the attainment of those objectives by helping to ensure that the results of economic growth are more evenly distributed, geographically speaking, and benefit an ever-increasing number of citizens.

The heads of state and government were indeed inspired when, at the final meeting of the Paris Summit Conference in October 1972, they emphasised the urgent priority that should be given to remedying the lack of structural and regional equilibrium in the Community.

At the same final meeting they also undertook to coordinate the policies of their various governments. They called upon the institutions of the Community to set up a regional development fund before 31 December of this year which should, from the second stage of the economic and monetary union, be financed by the Community's own resources.

When we see how little progress has been made so far in coordinating the regional policies of the various Member States, we have little reason to hope that the regional development fund will come into being before 31 December of this year and that, from 1 January 1974, that fund will have its own resources. I hope you will excuse me when I say that we are rather sceptical about it all. We would therefore urge that this question be dealt with with all speed and earnestness.

The Committee on Social Affairs and Employment would, however, like to compliment the Commission on the speed with which it has reacted to the summons by the Paris Summit Conference to make the necessary proposals to the Council. In its report, which we are now discussing, it has already set out a few guidelines for a common regional policy and expressed a few general notions about such policy. The Committee on Social Affairs and Employment is greatly interested in the notions thus expressed.

You will understand, Mr President, that we can only produce a more differentiated opinion on the basis of the firm proposals to which the report from the Commission now before us should give rise. The Committee on Social Affairs and Employment is therefore looking forward with great interest to the proposals that will have to make possible the establishment of a regional development fund. It is already clear to our committee that such a fund must have sufficient financial means at its disposal and that, above all, the situation must not arise where Member States determine the amount of their financial contribution to the

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fund purely on the strength of the results to be expected in their own countries; this happened in the past with the European Social Fund and the unfortunate consequences are well known to you. If we do not suppress such national egoism when we establish the regional development fund, it will produce no results, since everyone will be making careful calculations to determine whether his contribution is being repaid with sufficient interest. We must dare to adopt a Community standpoint that will truly allow the fund to work in the cause of development, in accordance with the views held on the subject by the Committee on Social Affairs and Employment.

Sound coordination must also be assured between the future regional development fund and the new-style European Social Fund. If such coordination is not forthcoming there is a danger that the resources will be frittered away. The possibility must also be examined of empowering the regional development fund to support labour market measures, at least in cases where the European Social Fund cannot do so.

The Committee on Social Affairs and Employment can also approve the proposal for the setting up of a joint regional development committee, but care will have to be taken that the committee is able to perform its task—which still has to be clearly defined—in as close collaboration as possible with the social partners.

We now wait with eagerness for the Commission to elaborate the first principles of a common regional policy as they have been summarized in the report now under discussion.

At all events, the Committee on Social Affairs and Employment insists that the timetable established at the Paris Summit Conference be respected. This means that the Commission must immediately submit definite proposals and make these known to Parliament, and that the Council in its turn must do all it possibly can to guarantee that the instruments necessary for pursuing an overall regional policy can be employed from 1 January 1974, the date specified at the Paris Summit Conference.

Recapitulating, then, the Committee on Social Affairs and Employment approves of the direction which the Commission wishes to take with its common regional policy, but it will only be able to decide on its final position as regards the details of this policy after it has carefully studied the implementing decisions that are to be expected.

In the meantime the Committee endorses the general point of view as contained in the

resolution tabled by Mr Delmotte on behalf of the Committee on Regional Policy and Transport.

President. — I call Mr Vetrone, rapporteur for the opinion of the Committee on Agriculture.

Mr Vetrone. — (I) Mr President, ladies and gentlemen, regional policy, taken as a common plan of action to eliminate the territorial disequilibria and resulting social tensions existing in various economic areas of the Community, certainly affects the agricultural and rural populations. It must be realized that differences in levels of development of the territory often stem from presence of extensive agricultural area, so that territorial disequilibria in general coincide with disequilibria between agriculture and other productive sectors.

The Committee on Agriculture, which was rightly asked to express its opinion following the autonomous initiative taken by the Committee on Regional Policy and Transport, devoted particular attention to this coincidence of disequilibria, particularly in stressing the justice of its argument—endorsed by the Commission and the Council, with Parliament's agreement—that regionalism must provide the context in which future directives on the reform of agricultural structure, based, as we know, on selected investments, must be formulated.

It follows—as I have pointed out—that a relative disparity will continue, at least for the first five years of the directive's implementation, within the agricultural sector itself of the Community.

But even if we excluded the hypothesis of a general *a priori* identification of agricultural and under-developed regions—which would be unrealistic—the most severe regional disequilibria would always be seen to occur in regions characterized by an excessive preponderance of agricultural activity and lack or insufficiency of the secondary and tertiary sectors.

In addition, in these very regions whose agricultural products are of primary importance to the general economy, the EEC has found that it has to tackle the delicate problem of competition by favoured imports from third countries, especially from the Mediterranean basin; so that the Mediterranean policy gives the Committee on Agriculture further grounds for demanding the introduction of an effective regional policy to compensate the poorest areas of the Community for this additional burden.

Besides, in the above regions, there arises the problem of the exodus from the agricultural sector of the marginal elements destined to

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disappear in the process of agricultural modernization requiring—as the Committee on Agriculture affirms and reaffirms—that at the same time there be carried out coordinated Community actions in other sectors of economic policy—social, employment and regional development policies.

The suggested allocation in the EAGGF of 250 million units of account over five years for creating new jobs for agricultural workers, in consideration of the transitory character of the measure, approved by the European Parliament, seems modest enough but, nevertheless, the Committee on Agriculture joins with the Commission in supporting it, though it wonders if it would not be sensible to shift the burden in the future onto the new regional development fund, especially if, as is hoped, this is endowed with sufficient funds.

The decision to endow the guidance section of the EAGGF with more funds must be held extremely useful, given that the EAGGF will certainly be called upon, also because of the process of economic and social development of the Community regions, to make additional interventions to allow the agricultural sector to develop uniformly and concentratedly.

The committee warmly welcomed the Commission's suggestion to continue the Community criteria for identifying priority agricultural areas (already endorsed by the European Parliament) and introduce a priority criterion linked to the relative degree of imbalance in different regions shown by indices of gross per capita income compared to the Community average, the rate of structural underemployment, unemployment and net emigration.

These suggestions, together with the points made on many occasions by the Committee on Agriculture, in particular those referring to the environmental policy and the problems of agriculture in mountain and other less favoured areas, give us grounds to believe that agricultural and social policies may really be efficiently coordinated with national and Community regional policy, especially if we manage to find a system of agreement between the different decision-making levels, which are also determinants of democracy. Regional authorities also have a definite obligation to resolve the problems of unequal development within their respective regions; they must be directly responsible for preventing disorganized migration caused by structural factors which, if uncontrolled and unguided, might intensify the concentration of migrants in the existing industrial areas, giving rise to undesirable consequences from both the economic and social points of view.

There is already so much congestion to be relieved in the metropolitan areas that it would be a disaster if we allowed further concentration. We may judge the wisdom of a regional policy by just this capacity to impose a courageous policy of reversal. Given these considerations and referring to the opinions already expressed on this matter, the Committee on Agriculture, glad to have been able to make its contribution to the initiative of the Committee on Regional Policy and Transport, whose interim motion for a resolution drawn up by Mr Delmotte it supports, delivers a favourable opinion on the general lines of the text on a future Community regional policy submitted to us by the Commission.

(Applause)

President. — I call Mr Bersani on behalf of the Christian-Democratic Group.

Mr Bersani. — *(I)* Mr President, ladies and gentlemen, on behalf of the Christian-Democratic Group, I also should like to thank our colleague Mr Delmotte for his valuable report and his most efficient statement this morning to the Assembly, giving him credit for largely interpreting the basic preoccupations of our group; similarly, still on behalf of the Christian-Democratic Group, I should like to give the Commission credit for its outline, at this instructory phase, of the great question of regional policy, a problem which for our political group has always had a central role and importance.

We think that there is a tendency to look at regional policy solely from the point of view of economic assistance, around which a worrying situation is unfortunately developing in the Community, and therefore to regard it as a marginal issue—merely a question of intervening in certain emergencies—far removed from the central problems of growth, development and personality which lie at the very root of our Community.

We think instead that, the more one thinks about all aspects of regional policy, the more convinced one must become that it is fundamentally a comprehensive policy, not confined to the marginal areas or to individual sectors of society, which, as, in any case, Mr Delmotte recalled this morning, embrace a wealth of quantitative and qualitative considerations. This is the policy which, perhaps more than any other, will mould the true face of European society, the Community's mode of being, even more than the way it deals with the greatest human problems of our time. In fact, we do not think that it is possible to begin talking about

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regional policy without first clearly establishing what is meant by a region, then, and only then, can the instruments and methods to be applied, in addition, of course, with the nation-state and Community be determined. The goal, according to us, should be not a European superstate but a varied and carefully structured Community in which the region, overcoming the desire to adopt a dialectical pose vis-à-vis the nation, feels that it has a creative part to play in an enriching democracy. In such a Europe, the region, even before making demands, would be ready to accept its role and act as a creative component of a different political reality.

This is the sense in which the regional question is basically political. As all our colleagues have said, it is less an economic or social problem, than a political problem which concerns the most delicate aspect of institutional and constitutional relations.

The right moment to pose all these questions will certainly be when the Commission, after sketching out its regional policy, has to present the set of definite formal proposals with which it intends, within time-limits and by the methods to be laid down, to face up to its responsibilities and launch an effective policy for dealing with regional problems.

Having said all this, Mr President, bearing in mind your invitation, I should briefly like to concentrate the second part of my discussion on some precise points.

The first is the question of regional participation in a Community political construction, which I have already briefly referred to. We believe—and we repeated it at a recent European meeting which took place for three days the other week in Munich—that, since this problem deserves thorough attention, representatives of the regions should be allowed to sit on the special board proposed by the Commission. Eventually, however, it should be possible to make more effective arrangements, i.e. to set up some sort of *ad hoc* bodies, representing the regions, to work alongside the institutions.

Secondly, we feel that, ten years after the first well-timed conference arranged by the Commission to carry out a preliminary study of regional problems (a vital meeting because it generated the political will of the institutions, and particularly of the Parliaments to get to grips with regional policy), the time has come to arrange another conference. A dialogue bearing closely on regional needs would provide a really democratic boost to the whole process.

During the last ten years, the regions have been born in Belgium; in Italy, they have continued

to progress as a whole on advanced democratic lines; in Germany, a new line of development in internal relations has taken place within the old framework of the *Länder*; in France the administrative regions have emerged. In other words, this was a period of evolution and maturing for regionalism.

And what of the problems in this field peculiar to the United Kingdom, Ireland and Denmark, the three new political forces that have become part of the enlarged Community?

I feel that such a conference ought therefore to be held and the adaptation of the regional development fund seriously considered. We fear, as does our colleague Mr Bertrand, that the deadline may not be met, but we firmly believe in the wider vision to which I referred. The setting up of the national fund by 31 December, will serve as a test of all that we have been saying about regional policy, a crucial test of credibility in the face of the pledge of solidarity which, backed by self-imposed restraints, must form the backbone, the moral and political centre which constitutes the driving force of any community.

In addition, we believe that, besides the fund, it might be useful to set up machinery for guiding and coordinating private investments in a pluralist approach to the promotion of new economic structures (especially in the weakest areas) reflecting our political conception of the relations between the economy and the directing centre. All this, of course, is closely linked up with the prospect of introducing a system of planning and coordination raised by our colleague Mr Delmotte.

These, Mr President, are some considerations which the Christian-Democratic Group wishes to be brought to bear on a problem to which it attributes ever increasing importance, whether because of the effect on man of all these interventions and the evolution towards an ever improved quality of life and work in the various regions of our Community; or because the highly democratic structures of a developing Community will enable the most delicate constitutional relations to be conveniently resolved; or because the existence of economic imbalance demands that we set up adequate Community institutions and methods in response to this problem, crucial to justice and solidarity.

This, Mr President and ladies and gentlemen, is our position, which leads us to share in general, though hoping for further strengthening of some clauses, the views expressed by the rapporteur, Mr Delmotte, and to accept the directional lines for this phase suggested by the Commission.

(Applause)

IN THE CHAIR: MR DALSAGER

Vice-President

President. — I call Mr Johnston on behalf of the Liberal and Allies Group.

Mr Johnston. — Mr President, it is with a great deal of pride that I find myself speaking on behalf of the Liberal Group. We have within our group representatives of eight of the nine members of the Community, which gives us a wider national representation than any other political group. In consequence, we inevitably develop a rather broader sensitivity, by the mere fact of our membership, to the geographical and economic disparities all over our Community with which we are concerned this morning.

Allied to that, our liberal political philosophy, based, as it is, on finding means whereby the individual may gain the maximum freedom, has led us in each of our separate countries to give especial attention to the problems of over-concentration of population, wealth, and power, and the parallel search for effective methods of decentralization of power-sharing and the equable geographic spread of economic opportunity. In doctrine, we are essentially distributivists.

Community regional policy will be judged by and will be effective according to its capacity fairly to identify the areas of real comparative need within the Community according to objective criteria, not according to its capacity to respond to the best promoted parochial demands. Consequently, I very much welcome the emphasis that the Commission has, from the beginning, laid upon the establishment of objective criteria that can apply in all cases.

We must all learn that the best safeguard for local, regional or national interests, which we understand and hold dear, is the evolution of a system which is fair to everyone in its implementation. This is the European dimension about which many of us have spoken for a long time. We must not forget that the regional problems about which we are talking this morning, and will be for many years to come, and which we hope Community policy will help to resolve, are problems to which our own national governments have so far failed to find an answer.

I am not one who believes that our future as a society is determined by great historical forces entirely beyond our influence. I am a great believer in the decisive effect of the will of individual human beings.

It is worth mentioning—particularly as not so long ago I used to be one of his political oppo-

nents—that we are extremely fortunate to have George Thomson as our Commissioner in charge of regional policy at this time. It is also worth underlining the question of the European dimension. I am not saying, 'Because he is a fellow Scotsman he will make sure that Scotland is all right', that is not so.

Indeed, quite the contrary. I know from personal experience that he will bend the whole of his not inconsiderable will to evolving a system which will be equally fair to Scotland, to Lower Bavaria, to Southern Italy, to Wales, to the Dordogne, or wherever it may be — to all the deprived regions and nations of the world.

I know that in the long term that is a far better safeguard for the future of Scotland than the temporary presence of a friend at court.

I should next like briefly to pay tribute to the work of the rapporteur, whose patience and skill I greatly admired within the Committee on Regional Policy and Transport. He has succeeded most effectively in combining all the elements of thought from the admittedly — as the chairman of the committee said — abbreviated discussions which we had. He has done it very well.

Because of the limitation on time I will confine myself to making six brief points, some of which are dealt with in the report and some of which inevitably have been touched on by other speakers. The first concerns the size of the fund. Very soon we must get down to facing this question, because it is fundamental. However excellent the guidelines one may produce, unless one has a sufficiently large sum of money to spend it will all be wasted effort.

I believe that the total expenditure within the various nations of the Community upon regional development projects amounts to about 7,000 million units of account per year. If that is the total now spent domestically within the existing countries, then if the regional policy about which we are talking is to have a genuine impact on the disparities and to result in a genuine shift of resources, the amount of money available to the regional fund must be an equal proportion of that figure of 7 000 million — which means inevitably that we must talk about 500 million units of account, or something like that. I am therefore increasing the figure which Mr Pounder suggested a few moments ago.

I cannot emphasize too strongly the fact that a great many people all over our Community are expecting and hoping for a great deal from the regional policy. It is essential that we can demonstrate a capacity to shift resources. We have not always succeeded in doing so. The Commission has frequently claimed that one of

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the most effective instruments for regional development and redistribution has been the European Social Fund, but if redistribution means a transfer of resources from the better off to the worse off, one would assume that the bulk of the European Social Fund would have gone to Italy. That would be a reasonable assumption. It is in fact what happens with the bulk of European Investment Bank loans, more than 50 per cent of which go to Italy. But the figures for 1960/71 show that, out of a total of \$210 million, 37 per cent was spent in Italy and slightly more, 38 per cent, went to Germany. That is an example where the redistribution element does not seem to have worked very well.

I turn to my second point. Practically all speakers have emphasized the rejection of the concept of *juste retour*, fair return, as being wholly inimical to effective regional policy. Beyond that there is also the danger to which we drew attention in the report that some countries may use the regional development money as substitute expenditure and say: 'We shall get £X million to undertake this project, which means that we can reduce our intended budget for regional purposes by £X million this year or over this group of years'. It is a very difficult thing to control, but it is essential to control it, for, as the rapporteur says in paragraph 27, on page 17: 'This regional interdependence will involve considerable sums being expended and can only be effective if the States are not allowed to economize on their own budgets through the amounts received from the fund'. It is very important.

My third point was referred to particularly by Mr Bertrand on behalf of the Christian-Democratic Group. Regional policy inevitably in the first instance will be based on regions which are historical units or administrative units and in very few cases economic units. In Denmark, my Danish colleagues tell me, one of the worst-developed areas lies within the Copenhagen region, yet if we look at the statistical maps in the Commission's report we find that that is the best-off area in Denmark. Similarly, if we look at population figures for the whole of the Community we find that Scotland, taken as a whole region, is regarded as very sparsely populated indeed, yet the third largest city in the United Kingdom, Glasgow, is in Scotland. Statistics will give the result which the pattern upon which they are based yields. Inevitably, the Commission must begin a long period of discussions with each of the national governments to inquire whether the pattern of regions upon which we are basing our policy is in many cases any longer realistic.

Fourthly, I was very pleased that Mr Borschette in his important reply on 6 June indicated that

the Commission is thinking of a further grading of development areas and not simply of the somewhat crude concept of central and peripheral areas. It is essential that we go beyond that point and devise a further grading of aid rather than simply a choice of two things.

Fifthly, reference has been made to disincentives in the congested and overpopulated areas. I make brief reference to two problems here. First, clearly a regional policy will in part be concerned with restructuring old dying industries. Equally, it must be concerned to prevent the ever-greater proliferation of industry in areas already over-congested.

I suggest to the Commission the possibility of evolving some kind of industrial development certificate. This was the system operated in the south-east area of the United Kingdom when industry could not go ahead unless it received permission so to do. A similar system operated in France in the region round Paris. In my view the Commission should think in that way also. As Mr Pounder put it, on some occasions not only the encouragement but also the disincentive aspect is important.

Sixthly, much reference has from time to time been made to the participation of people in the regions. It is undoubtedly true that the failure of regional policy is frequently the failure to decentralize decision-making and to involve people in the whole pride and morale of their region.

I do not blame the Commission for this because it is an extremely difficult exercise, but it has as yet to give any indication as to how it sees the people in the regions being able to participate in the development of their region. Will it be by means of the regional development committee to which Mr Thomson has from time to time referred? Are the regions to have an opportunity to come to the committee or be represented on it, or what? One knows perfectly well that the Commission cannot physically be in the position of being forced to meet representatives from region after region, because it would never have time to do anything else. That would be impossible. Nevertheless, some mechanism must be devised.

In conclusion, speaking on behalf of the group, may I say that we very much welcome the initiative of the Commission following on that which it took in 1969. I still regard the document of 1969 as one of the most visionary to have been produced in Europe for many years. This good work has continued. Now, with the encouragement at last of the Paris Summit, let us hope that by the end of the year we will be in the position to start offering the people of our Com-

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munity a better chance and a better variety of opportunity than they have previously had.

(*Applause*)

President. — I call Mr Liogier on behalf of the Group of Progressive European Democrats.

Mr Liogier. — (*F*) Mr President, ladies and gentlemen, the final communiqué of the Paris Summit Conference, held on 19 and 20 October 1972, defined as follows the Community's action with regard to regional problems:

'The Heads of State or of Government agreed that a high priority should be given to the aim of correcting, in the Community, the structural and regional imbalances which might affect the realization of economic and monetary union.

The Heads of State or of Government invite the Commission to prepare without delay a report analysing the regional problems which arise in the enlarged Community and to put forward appropriate proposals.

From now on they undertake to coordinate their regional policies. Desirous of directing that effort towards finding a Community solution to regional problems, they invite the Community Institutions to create a regional development fund. This will be set up before 31 December, 1973, and will be financed, from the beginning of the second phase of economic and monetary union, from the Community's own resources. Intervention by the fund in coordination with national aids should permit, progressively with the realization of economic and monetary union, the correction of the main regional imbalances in the enlarged Community and particularly those resulting from the preponderance of agriculture and from industrial change and structural underemployment.'

We felt it necessary to make a few comments on this text. By regional policy we understand the harmonious development of all regions making up the Community. However, it would be appropriate—and I do not think this has already been done—to fix the size and shape of the regions, to determine their specialities, their poles of attraction, and the outlying or depressed zones, and to make policy choices which will influence the future of these zones. Attention should be given to large regional metropolises or satellite conurbations, average towns or more modest cities, in fact to any nerve centre in which development could be encouraged by incentives to more or less far-reaching industrial or service decentralization, with a view particularly to bringing the worker closer to his place of work.

All these things pose problems, particularly with regard to infrastructure, which the regional planning authorities in each of our Member States are endeavouring to solve, in coordination with the elected assemblies.

The regional planning authorities, like the Commission of the European Communities, have discovered that the freer movement of goods, capital and labour within the Common Market has only given new impetus to the migration of populations to the most central regions, the areas most likely to attract the trade of the Community.

Thus, the problems of urban overconcentration, with all the dangers of pollution which accompany it—and we are not thinking here simply of material pollution but also of such things as transport and accommodation conditions and the lack of adequate areas of green belt, a subject about which I have spoken many times before in this assembly in order to draw attention to the inhuman state of affairs that exists — is one of the most acute problems facing Europe.

A new economic lease of life should, therefore, be given to the less saturated regions, particularly those in which there has been a constant drain on the population for almost a century and which now number among the most sparsely populated areas of the Community and are becoming, or have become, virtual deserts.

It is neither desirable nor conceivable that we should let this problem become worse or accept such a serious depletion of the population any longer. A dozen or so years ago we were among the few people to prophesy this situation with conviction, but then we were regarded as pessimists.

It has to be admitted, however, that in the absence of Community measures several Member States have reacted to the situation and have attended to the most urgent things first. Thus, among the first laws passed by the Fifth Republic in France there was one relating to agricultural guidance which created special rural action zones and brought considerable aid and benefit to the most underprivileged regions of the country.

These measures were later supplemented and extended to the whole of Brittany, where the majority of the labour force was having to emigrate and abandon its native province, and to the Massif Central which was also suffering as a result of large numbers of people leaving rural employment.

More recently, after regulations and directives had been passed on agricultural structure, France, on the basis of an amendment proposed

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by the EDU Group and accepted both by the European Parliament and by the Commission of the European Communities, was able to take measures favouring mountain and high-altitude agriculture, one of which consisted of giving an annual grant of 200 francs per head of adult bovine animal to the farmers of these regions.

In addition, France, like the majority of its partners, has implemented a vast regional planning policy, concentrating on the infrastructures and controlling the establishment of new industry and services, particularly in the Paris region, while granting aid to enterprises setting up in regions scheduled for development.

However, despite the inadequacy of the results obtained, France remains convinced that the European regional policy will assist in effecting the necessary changes, since, although it has been late in doing so, the Community has at least begun to realize the magnitude of the problem.

This realization has found expression in numerous ways, but until now there has been much more talk than action.

As examples of the activities in this field we have: the grants for setting up or developing industry, given to employers using an agricultural workforce converted to a priority zone; the directive on mountain or high-altitude countries, which takes up the French initiatives; the guidelines on the social action programme submitted by the Commission to the Council; the report on the environment, which we debated here the day before yesterday, when Mr Yeats gave the point of view of our group; and finally Mr Delmotte's interim report on the regional problems of the enlarged Community which we are debating today.

Thus, Community regional policy naturally gives absolute priority to the underdeveloped zones of our countries, all the more so since the overdevelopment and overconcentration which are rife in the majority of our regions—with the grave disadvantages and restrictions which they bring—make it necessary to protect sites of natural beauty and large greenbelt areas for rest and relaxation if we are not to allow the technological progress which should improve the quality of life finally to work to the detriment of those who should have benefited from it.

'The polluter pays.' This three-word general principle should be applied here in its broadest sense. It also implies that the conservation and protection of places of natural beauty require sacrifices on the part of those who benefit from them and will bring advantages to those who contribute to this conservation and protection.

Thus, everything comes—and this is fortunate—to a greater solicitude on the part of Community institutions with regard to the poor and underdeveloped regions. One cannot do everything at once, but it is to these regions that we should direct our attention initially, and our efforts should be directed towards restoring the economic and demographic balance which will contribute so much to general harmony in all the regions making up the Community and which will ensure a quality of life at present threatened by a poorly suited environment.

Appropriate measures for achieving this do exist, but regrettably they are becoming more numerous without being co-ordinated. It would not be wrong to say that the salvation of these poorer regions must be an overall salvation, at least at the level of the men and women who live in these areas and whom we must help to keep going, as I showed earlier. There can be no doubt that these men and women will not stay where they are unless their environment is protected. Like other people, they have a right to this environment; the farmer cannot live in isolation any more than the holidaymaker or the owner of a weekend cottage.

It is here that we see the disadvantages of financial aid which is overcompartmentalized or even, for certain social classes, nonexistent. I am thinking in particular of tradesmen and craftsmen, who are just as important in the context of this problem as the farmers. Without them any progress would be illusory. I am thinking also of small industries, in many cases using raw materials on site, which receive scarcely any encouragement to keep going or to develop.

We hope that the regional development fund, which will be set up before 31 December 1973—the deadline is not very far away—will take these considerations into account in order to minimize or, if possible, eliminate the disparities in the distribution of this aid. However, this regional development fund, which will be financed, from the beginning of the second phase of economic and monetary union—a union which we all welcome because it will determine the future—from the Community's own resources, will not be sufficient in future years to correct the main regional imbalances. Supplementary measures will therefore also be necessary, at least in the immediate future, particularly in the field of taxation. Intervention by the fund will, moreover, have to be coordinated with national aids if it is to be truly effective.

It will be seen from this that initially the fund will support and supplement national aid, particularly that which already exists since the Member States have only set up such aid in

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the sectors and regions most threatened and most deserving of attention. Hence priority will naturally have to be given to avoiding a depopulation which would jeopardize the salvation measures which are urgently necessary.

For this reason, therefore, our group is happy to note that for some time the relevant Community institutions have been very carefully studying—and we thank them again for this—the problems posed by those regions in difficulties, particularly those which are the victims of agricultural change. These institutions can count on our firm support.

However, we must still ensure the rapid provision and concentration of aid, both from the regional development fund and from the Guidance Section of the EAGGF, in order to avoid the compartmentalization which threatens to make our efforts less than fully effective.

This is a difficult problem to solve and it does not do to put the cart before the horse. However, the best declarations of intent are useless unless they are followed by effects. Intention is never better than action. We do not want to be like the famous cavalymen who sang the praises of walking but stayed where they were. Where the underdeveloped regions are concerned, the danger is pressing and rapid help is needed.

Thus, we vote in favour of Mr Delmotte's interim report in the firm hope that measures will quickly be implemented and create harmonious balance between the various regions of the Community, and also in the hope that economic and monetary union will soon become a reality, since this will influence the solution of all Community problems, in particular of the labour force in outlying districts or in border areas, such problems, for example, as those caused by the repeated fluctuations in national currencies, which cannot go on for much longer.

(Applause)

President. — I would point out that I still have seven speakers listed and that I intend to complete the list of speakers before lunch. I would therefore request the following speakers to bear this in mind in deciding how long they wish to speak.

I call Mr Fabbrini.

Mr Fabbrini. — *(I)* Mr President, ladies and gentlemen, I should like to say straight away that, in our opinion, it is not possible to have a wide-ranging debate on such a vast and complex subject in the brief space of time at our disposal; I should like, therefore, to propose that, when we resume our examination of this

problem, Parliament should be given a chance to discuss it more fully.

The Commission's report on regional problems gives a vivid picture of the imbalances within the Community, even if it does not go into their causes in any detail: causes (both remote and proximate) which are very complex and must be sought in the different economic developments of the several countries in the Community. To confine ourselves, however, to the period of most direct interest to the Community, the report points out that while it is true that in the decade from 1960 to 1970 there was an average annual increase of 5.4% in the gross national product, there was not at the same time a balanced economic development of the nine countries. The result of this has been that the pro capita income in the richer regions of the Community is, as the report points out, five times greater than that in the poorer regions, and this is something which, in our opinion, can no longer be tolerated.

I believe that it must be clearly stated that there is a responsibility on the Community in this matter, if it is true, as the Commission admits and as is asserted in the report put before us for our consideration, that the imbalances have become even more acute in the meantime (and particularly in recent years) and if it is true, and it is true as even the report itself concedes, that the Community has not yet got a regional policy.

With regard to the analysis made by the Commission's report, we are of the opinion that it must be gone into in greater detail, even if it does contain some very interesting points, both in regard to more precise and more direct information on various under-development situations and on the general causes which are at the root of under-development. In this second regard, the Commission could, in our opinion, have omitted the rather over-generalized statement at the end of page 2, where it speaks of the positive intervention of Member States in regional problems. In fact, if we go strictly by the matters contained in the report itself, it cannot be said with certainty—at least, this is true of my own country—that this intervention has been as positive in reality as is claimed. By going into its analysis in greater depth the Commission could have given, and, in fact, in the debate, whenever we resume it, can still give, a more thorough and complete explanation of the phenomenon of uncontrolled concentration of which we have already spoken at such great length, with all that this phenomenon implies. The imbalances, and nobody can say that I am inventing all this, are not accidental, they are not caused by objective difficulties; even where they do exist, when

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they do exist, these objective difficulties are entirely marginal. The imbalances with which we are faced are the inevitable result, in our view, of the laws of capitalist development, laws which centre around the pursuit of profit, in fact, the maximum profit for the investors. This, in our opinion, is the point on which the finger must be put, but it seems to me that the Commission has not put its finger on this point, even if it does refer to these problems in part of its report.

I should like to read for you, and this is a point which should be gone into in greater depth, what we find written on page 6: 'To entrepreneurs the advantages of expanding in an already crowded area often appear attractive. There is a network of suppliers and the mass market is on the doorstep. But if it were practicable to make them bear the full economic costs of their expansion, their calculations would look very different.' I feel that nobody can disagree with this statement, but as we are discussing the planning of a Community strategy on the problems created by regional imbalances, I have to ask myself if all the right and necessary consequences of this statement are being drawn. Our situation is that the full economic costs mentioned in the report are not being borne by the entrepreneurs but by the public as a whole, which is not interested in the type of development that is being promoted and that is, in fact, aggravating the imbalances. It is not interested in development neither from the economic and social viewpoint, that is to say, in the cost it involves, nor from the human viewpoint, nor I feel—and this has already been pointed out—from the ecological viewpoint.

This means that we are faced with a deep and serious conflict between the interests of the public and the interests of the entrepreneurs, a conflict between the public and the private spheres, a conflict which, in our opinion, cannot be easily resolved by the formula suggested by the Commission. The suggestion is that Member States should reach agreement on a common policy to reduce concentration in congested regions, this policy to be enforced by means of severe controlling and dissuading measures. The instruments are there, all that is needed is the political will to limit investment in areas that are already highly industrialized and congested, with all the consequences that this implies.

The report goes on to say that a regional development society could be set up which would fulfil the function of an information centre for European entrepreneurs and which would, in effect, advise this or that investment in underdeveloped areas. I feel that it would indeed be

possible to set up a society of this kind, but what power could it have, in what regard would its advice and its suggestions be held, in view of the fact, of which we already have ample evidence, that we are faced with a conscious decision taken by large financial groups and large multinational societies to invest principally in congested areas because it is precisely in these areas that they expect, for a variety of reasons, to make that maximum profit they are seeking?

It may be said that the incentives suggested in the report and taken up by the resolution will be present, it may be said that we will have the economic fund, on which we are all agreed in principle, and which we ourselves hope will have the resources to put it in a position to play a positive role in this matter. But there is something else which we must also point out, and that is that the incentives policy which has been followed generally by all States in an effort to resolve this problem, and particularly by those States whose situation is more desperate than that of others (and here I am referring to my own country), this policy has been largely a failure, which shows that it can never be the only means to arrive at a solution of this enormous problem.

We believe that it is necessary to go into this point in greater depth and to indicate the measures which must be taken. There are other measures which have been spoken of at great length in the past without any concrete conclusion being arrived at with regard to them, which are now being put forward as appropriate measures, but we feel that they are essentially useless remedies which can ease the pain of the wound of the imbalances but are not guaranteed to cure the wound and to restore health to the ailing organism.

We believe that these interventions are certainly useful but essentially marginal. It is our view that the problems of regional imbalances, especially that of the enormous imbalance in our own country between North and South and the broader imbalance between the southern part of our country and the rest of the Community, can only be resolved if we succeed in controlling the machinery of capital accumulation and in augmenting public financial resources and utilising these augmented financial resources for the implementation of a democratic action programme in such a way that it will be possible to achieve the central objective proposed, namely, that of a harmonious and balanced development of the economy.

It is our view that structural reforms will have to be undertaken on the present system of

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ownership of the means of production, wherever this system is an obstacle to the implementation of a policy for overcoming regional imbalances.

It may be objected that this is not the task of the European Parliament and that these problems cannot be tackled and resolved by Parliament, the Commission or the Council, but only by those whose precise responsibility it is, namely, the national governments and parliaments. I am well aware that this is so; but a resolution such as that which is being put before us here, which in effect evades the problems to which I have just now been referring, ends up by making itself irrelevant to the real and basic needs that are making themselves felt today in the Community. This is the limitation of the resolution, acceptable as it may be in some of its parts.

These, Mr President, are the reasons why we will not vote in favour of this resolution, but rather commit ourselves to tackle these problems anew and to make a more detailed contribution on the various aspects of the question in the debate to be held next autumn.

President. — I call Mr Brewis.

Mr Brewis. — I agree with Mr Bersani that the experiences of different countries can be of interest to each other. In Britain we have been operating a regional policy for about 40 years. We can therefore perhaps say that we have had successes as well as many failures in this sphere. When we started our regional policy we were spending about £3 million a year. We are now spending well over 100 times that amount. The first lesson therefore which one can learn is that one consistently underrates the cost of providing jobs in development areas. I agree with Mr Fabbrini on one matter, if only one, and that is that the size of the regional development fund must be large. But we realize that, however large it is, it can only subsidize existing national measures.

I was particularly pleased that the Commission paid attention to the question of relieving congestion, although the methods which they intend to use are not very well spelled out. Many speakers have referred to the evils of congestion, and I shall not add anything to what they have said. My colleague Mr Johnston mentioned the possibility of helping to cure congestion through the planing mechanism. I agree that the industrial development certificate has been of some effect, but I do not think that we can cure the problem simply through planning methods. No country likes to lose a factory of primary importance, whether a motor or an aircraft factory. There is thus a tendency to

bend the planning rules which cannot be easily harmonized between nine countries.

Personally, I favour a congestion tax levied in the 20 or so largest conurbations in the Community. But it is essential that the revenue from such a tax should go to the national exchequers of the various Member States.

My next point concerns the question of infrastructure. Unlike areas of agricultural decline to which Mr Liogier referred, many of our early industrialized areas have run down perhaps due to a failure of coal seams or the closing of textile mills or of heavy engineering factories or even, in certain cases, owing to all three happening at the same time. An environment of slag heaps and derelict mills is not attractive to incoming industry. I therefore think that the regional development fund could help with clearing dereliction, which is a very expensive job. It could perhaps assist with a percentage grant or by reducing the rate of interest when local authorities have to borrow money.

Commissioner Thomson will agree that the County of Fife is a remarkable example of how expenditure on infrastructure can increase prosperity. That used to be an area in which coal-mines had closed and many parts of the landscape were not pleasant. At its southern end was the frontier of the River Forth, so that industry from more prosperous Edinburgh did not move into Fife. Ten years ago, the building of the Forth Road Bridge, which cost £20 million, transformed the area. Undoubtedly the bridge has already paid for itself, because the western part of Fife has become one of the greatest concentrations of the electronics industry outside California.

There are many ways in which the regional development fund, through infrastructure, could encourage the building of such bridges over frontiers. For example, I think of Londonderry, in Northern Ireland, where the city has been cut off from its hinterland in the Irish Republic by an artificial frontier. I am sure that there are other possibilities of bridge building in the less prosperous parts of Belgium and Holland near to national frontiers. Lack of prosperity exacerbates nationalistic problems, whether based on linguistic or religious differences.

I wish to refer to the really critical regions. We have our problems in Northern Ireland and the Highlands, but unemployment and migration figures in other parts of the Community even surpass those in the areas I have just mentioned. That is so even in Belgium, Denmark and notably Italy. Such areas must be given a competitive edge over other peripheral regions. We must be very flexible with

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the help which we give from the regional development fund.

Labour-intensive industries are also very useful in the less prosperous areas, although I admit that any industry is a great boon. Will the Commissioner consider subsidies to labour-intensive industries as one of the flexible methods we might use? In Britain we are running down the regional employment premium, but a similar example exists in Southern Italy where social security payments are excused in the Mezzogiorno. I therefore hope that giving a competitive edge to more remote areas will be permitted and that the Commission will follow a very flexible policy with its industrial inducements.

(Applause)

President. — I call Mr Thiry.

Mr Thiry. — (F) Mr President, I do not believe that I am the only Member of this House who feels disappointed to find that during this July part-session we shall have got no further than an interim report on the question of regional policy.

The time limit fixed for us by the Paris Summit for the setting up of the regional development fund is very close, and the report on regional problems which the Commission has been ordered to present is not yet ready.

On 8 May, Mr Thomson, speaking in this Chamber, envisaged a full debate on this important question on 4 June. We now learn that the commission has decided to await the points which it hopes will arise from our debate today, before putting forward its formal proposals. This is a mark of deference and a sign of caution which we appreciate. Indeed, this morning there has been confirmation that the opinions put forward by the various groups can shed a useful light on some aspects of the question. However, it is nonetheless true that under these circumstances one may wonder which of the two is waiting for the other, and this can hardly make for progress.

Not only have we been given a definite schedule, but also, Europe's regional policy has moved forward slowly for so many years that it would be wrong to allow it to miss the benefit of the momentum finally provided by the Paris Summit.

Mr President, what I am saying certainly does not involve any sort of criticism of our Committee on Regional Policy and Transport nor, indeed, of its excellent rapporteur. Both have shown unstinting diligence, and they were right

not to wait for the opinions which had been requested from the Committee on Economic and Monetary Affairs, the Committee on Budgets, the Committee on Social Affairs and Employment and the Committee on Agriculture.

In my opinion the Committee on Regional Policy and Transport was right to go ahead, because when it is a question of taking action it is sometimes necessary to go it alone.

When Lindberg was making preparations for his trans-Atlantic flight, he had to choose between two possibilities: flying alone, which would expose him to the ordeal of fighting sleep, or taking a co-pilot, which would mean reducing the weight of fuel he could carry. He asked his father, an old carpenter, for advice and was told: 'You must go alone. Where action is concerned, one man is worth one man, two men are worth half a man, and three men are worth nothing at all.'

It is, perhaps, not too irreverent, Mr President, to say the same thing about the multiplication of committee opinions as was said in this case about individual human effort.

I might be tempted to think of Lindberg in connection with one particular point of Mr Delmotte's very interesting report. I am obviously not going to make a detailed analysis of the report now, time would be too short, and besides, I do not think this is the time for us to pay too much attention to detail: the Commission has promised to produce its final proposals in July. So I shall merely express my overall approval of the report and thank its author for the remarkable document which he has managed to furnish us with, despite working under the most difficult circumstances.

The point I should have liked to take up, and which might perhaps have been noted by Lindberg's father, is the creation of a committee on regional development. I can clearly see the advantages offered by this new body, in particular in liaison between the Commission and the Council and for the coordination of the Member States' regional policy. However, I am afraid that we are merely adding another burden to our machinery. Regional aid, from the start, ever since it was carried out by the ECSC, which was nevertheless far freer in its actions than the Commission of the European Communities, has always been inherited by administrative complications. I could mention numerous examples. We should bear these experiences in mind and try to simplify and lighten procedure.

Finally, I should like to say that one section of Mr Delmotte's report seemed to show particular

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insight and be extremely encouraging: the part in which he proposes to avoid what might be considered too exclusively economical and technical in our regional policy, in order to concentrate on the human element. Education services and vocational training in particular must take the place they deserve in our programme alongside, for instance, financial aid for investors.

It is the human element, the non-material factor, which brings me to draw Parliament's attention to an element which has not, perhaps, been given sufficient consideration so far in our definition of those regions which European action should affect. This very element was mentioned and evaluated in the report on border regions organized in 1972 by the Consultative Assembly of the Council of Europe. I am talking about regional awareness. The regional entities which we must consider should have such an awareness, and we must encourage this.

In conclusion, then, I should like to express a final hope.

The report points out, quite correctly, that we must avoid spreading our efforts too thinly and that methods must be simplified.

To this end, I believe that the Community should make a careful choice and, as far as possible, deal with those directly involved. I mean to say that, without interfering with national policy and always bearing in mind the complementary nature of our policies, but at least whenever these national policies have recognized the existence of regions and have organized or are organizing them, the Community should deal with these organized regions in the application of its regional policy.

This would cut out one step and guarantee the recognition of the genuine interests of the region.

President. — My earlier decision to continue with the list of speakers can unfortunately not be followed if we are to keep to the time-limits which we have set. The staff have worked hard, and some Members have also worked hard, during the last two days, so I think it would be best to suspend the sitting.

I call Lord Brecon, who will be the last speaker before the sitting is suspended.

Lord Brecon. — Mr President, I hope that I shall finish in ample time to suspend the sitting.

First, I should like to thank Mr Delmotte for his excellent report on what at times were quite difficult meetings of the Committee on Regional

Policy and Transport. The report has come out extremely well and he has presented it handsomely this morning.

The regional areas that require help are generally agreed. I was disappointed that Scotland was not included in the peripheral areas. Mr Johnston did not want to be parochial this morning. Therefore, I should like to make an appeal for Scotland to be brought into the whole of the peripheral area. Mr Thomson's impartiality probably stopped him bringing it in. If so, I am sure that Parliament will be happy to support the view that Scotland should eventually be wholly included in the peripheral area.

The areas that require help are those where the percentage of unemployment is consistently higher than the national average—in many places it is more than twice as high as the national average and has been constant for a long time—and those from which there has been increasing migration for many years. Such areas are clearly defined.

Most of the Member States have regional policies. Some have been more successful than others, but, as has already been said by other speakers, they have not solved the problem with which we are concerned. I look forward to the additional aid that the Commission can now give as an extra blood transfusion to areas that have not improved over many years in an attempt to get them back on proper economic levels.

As a Welshman I should like to talk about my own small country. I do so because I cannot speak with knowledge and authority on areas in other Member States. However, I am sure that what I have to say about Wales can equally well apply to similar areas in Member States. If Mr Johnston thinks that I am being parochial, then I am unashamedly parochial because I have a point to make.

Wales seems to be a perfect example of an area with all the problems about which we have been talking. South Wales has a long history of coal mining and iron and steel works ranging back over the last 200 years. Central Wales contains the whole of the depopulated rural areas. People are continuing to leave those areas and the population has been reduced to extremely low proportions. The only thing from which we do not suffer is congestion of anything at all.

The coal and iron and steel industries in South Wales have left their marks on the environment. Much has been done in recent years to improve the general environment, but not nearly enough. It is here that I expect the Commission to make a great impact over and above what the Member States are doing.

Lord Brecon

I particularly wish to refer to the future of the steel industry in Wales. Starting in 1975 about 12 000 jobs will be lost through the reorganization of the steel industry by virtue of technical improvements, the modernization of old plants and for economic reasons. Now is the time to plan, before 1975, for all the men who will be unable to find work in the steel works in future. The areas affected will be Ebbw Vale, Shotton and Cardiff. I should like to draw particular attention to Ebbw Vale where at present there are 9 000 jobs in the steel works. About 4 600 jobs are to disappear from that steelworks. This town is situated between two hills. There is enough flat ground for a steelworks, a rugby pitch and a cricket pitch. Tremendous problems will be created in this area when half the jobs in the steelworks disappear.

Because long notice has been given of these closures, we are finding that, because of the uncertainties about their future, men and women are leaving these steelworks already. In many places there is nothing else for them to go to with the result that they have to migrate to other areas.

We need a new and greater variety of industries. If anything happens to affect the dependence of large numbers of people working in one community in one works, they all become unemployed. If there is to be a new variety of industries, there must be jobs for women as well as for men.

I wish here to make an appeal for vocational training. Boys and girls leaving school and going on to additional training are catered for. However, many boys and girls now leave school at 16 and take no further training. It is to be regretted that they are unable to do so and that no provision is made for vocational training whereby they might learn two or three trades. I know of a case in America where 30 factories contribute to running a vocational school at which such children receive their training. As the work in the factory varies, they are then able to move round the various activities as they have been trained in the necessary jobs. This is vital for young people at the present time.

As to training for the men who will leave steelworks such as I have referred to, might there not be a crash programme on retraining? This idea in my view must be considered, as immediate help is needed in this respect.

If it is the aim to establish new factories in these areas, the amenities must be greatly improved. This applies in all Member States. Unless the amenities are right, it is not possible to bring in the desired type of executive to

work there as, generally speaking, his wife will refuse to go. The wife has a great influence over such a man and if she does not like the amenities he will not go to the area. Unless there are swimming pools and other such amenities and these areas are cleared up and made attractive, it will be very hard for any Member State or the Commission to persuade factories to move into those areas in spite of the financial inducements. If this can be achieved, it will be of great assistance.

I wish next to ask whether the Commission might help on the subject of entrepreneurs. Mr Fabbrini made it clear he does not like private enterprise. The fact remains that private enterprise creates these jobs. If the entrepreneur can be assisted in any way at all, he will come into such areas and will create new jobs. Nearly all factories and companies have grown from small beginnings. This is the way we see improvements taking place.

I turn next to transport. Unless communications are improved, it will never be possible to move either industry or the people involved. Over and above what any Member State is doing, I hope that if the Commission feels there is a case for assisting in road improvements, then it will ensure that something is done about it.

The aids presently given to the industries in these areas in my view are for the time being vital. I hope that, whatever else the Commission may do, nothing will be done to reduce the aids at present being given to existing industries. If these were taken away, I am sure that a number of factories and works would wish to close down and move out.

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

The House will rise.

(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR BEHRENDT

Vice-President

President. — The sitting is resumed.

7. Document received

President. — I have received from Mr Vals a report drawn up on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the

President

Council for a regulation extending for the second time the period of validity of Regulations (EEC) Nos 2313/71 and 2823/71, on the temporary partial suspension of the Common Customs Tariff duties on wine originating in and coming from Algeria, Morocco, Tunisia and Turkey (Doc. 136/73).

8. *Community regional policy* (continued)

President. — The next item is resumption of the debate on the interim report drawn up by Mr Delmotte on behalf of the Committee on Regional Policy and Transport on the Community regional policy (Doc. 120/73).

I call Mr Scott-Hopkins on a point of order.

Mr Scott-Hopkins. — On a point of order. I wonder whether you, Mr President, could help us by saying what your intention is about the order of business this afternoon. It would greatly assist us if you could let us know.

President. — We shall deal with the agenda as it stands. If we do not complete it this evening, we shall continue tomorrow morning.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I do not wish to prolong the matter, but I gather that there is likely to be a debate by urgent procedure this afternoon. I should be grateful if you could tell us when it will take place.

President. — As soon as the present debate, for which I have four more speakers listed, is closed, we shall consider the request for a debate by urgent procedure on the motion for a resolution on nuclear tests.

I call Mr Herbert.

Mr Herbert. — I wish to congratulate the rapporteur, Mr Delmotte, on his excellent interim report. I welcome the opportunity given to Parliament to debate regional policy for the first time since the enlargement of the Community. In doing so, I acknowledge the lofty ideals of the Heads of State at the Paris summit when they solemnly invited the Commission to analyse Community regional problems with a view to their early and speedy solution.

At this point let me hasten to add my appreciation of previous efforts by the European Parliament to initiate and activate a Community regional policy. The failure of the Community to accept Parliament's thinking in this regard

has led to a situation whereby the imbalance in income between the prosperous and depressed regions is in the ratio of 5 to 1. If the Community fails again on this occasion to tackle and systematically eliminate this basic evil of glaring income disparities it must but lead to serious repercussions.

The most depressed regions are understandably the peripheral regions because of their overdependence on agriculture. Ireland, Southern Italy and perhaps part of the United Kingdom are the regions calling for immediate attention. Through a vigorous policy backed by a realistic fund, the gap between the peripheral areas and the more developed and prosperous regions can be progressively reduced.

Unfortunately, we in Ireland qualify under all three criteria. On the occasion of his recent Irish visit, Commissioner Thomson stated that Ireland presented the Communities' starkest problem. Ireland's position must be viewed in terms of her geographical location and against her historical background. That does not mean that we as a nation have been unaware of our position or have failed to take corrective action. On the contrary, successive Irish Governments in our 50 years of nationhood have been preoccupied with the eradication of the twin scourges of emigration and unemployment and the correction of national regional imbalances.

Our efforts in this regard and solely through our own limited resources have met with reasonable success. The haemorrhage of emigration has been halted and for the first time in a century our population has shown a modest but significant increase. Regional imbalances are being progressively corrected, as Chapter III of the Commission's report indicates.

Yet, despite state intervention in the correction of natural imbalances, we will never succeed in closing the gap between Ireland and the rest of the Community through our own resources. For this reason, access to Community help is important and imperative for Ireland.

Here I should like to sound a note of warning. We in Ireland — I feel that other peripheral areas would agree — will not accept affluence at any cost. We would not wish to become the industrial cesspool of the European mainland. In Ireland there is a growing awareness of the need for the preservation of the environment. My fellow countryman, Senator Yeats, referred to this problem on Tuesday. We are making great efforts to achieve the goal of full employment by 1980 and at the same time to preserve the unspoilt beauty of our country.

Paragraph 10 of the motion refers to cross-border cooperation. This is of great importance to a

Herbert

number of Member States which, for one reason or another, were unable to synchronize development in their cross-border areas and are now faced with serious problems in those areas.

For us in Ireland — when I say 'Ireland' I mean all Ireland, Mr Pounder's Ireland and my Ireland, because both of us are greatly concerned about cross-border problems — section 5, paragraph 9, is of very special importance. Unfortunately, a boundary exists in our country. Whatever may be said for its existence politically, it most certainly has no justification from an economic viewpoint. When the border was drawn its draftsmen completely ignored economic and social considerations, and, consequently, natural and homogeneous regions that should have developed simultaneously over the past 50 years have economically drawn apart, not merely to their own detriment, but to the serious impairment of the economy of the entire country. Consequently, these areas are the most depressed of the entire Community.

Mr President, I hope you will forgive me if I am being too parochial, but these areas are very important to Ireland and, as a result, must be important to the Community. I should like to mention those areas for the record. The three areas I have in mind are, first, the Donegal-Derry-Tyrone complex, No 2 region; secondly, the most beautiful lakeland in Western Europe, Fermanagh, Sligo, Leitrim and Cavan. Understandably, Sligo is called the Yeats country after the father of my colleague Senator Yeats, by whom it has been immortalized. This is a natural region with the common denominator of great tourist attraction. The third region is the Dundalk-Newry complex, situated halfway between Dublin and Belfast, which caters for a great rich hinterland. I draw these areas to the special notice of Commissioner Thomson and ask him to ensure that regional policies are coordinated by both Dublin and Westminster in the implementation of regional policy in Ireland.

We in this group are totally committed to the ideals solemnly enshrined in the Paris summit. We appreciate the magnitude of the task given to Mr Thomson and offer him our unqualified cooperation.

Let me repeat my reference to the fund. Unless Mr Thomson is given an adequate fund, far bigger than that referred to by my colleagues Mr Pounder and Mr Johnston, the lofty ideals of the Paris summit will be reduced to a meaningless and hollow statement that could indeed negate all that has been achieved in the Community so far. Let it be remembered that in the final analysis the Community will be as strong as its weakest member.

(Applause)

President. — I call Mr Thomsen.

Mr Thomsen. — (DK) Mr President, I am in the fortunate position of representing in this Parliament a country which can be said to belong to the developed countries, a country where the differences between the underdeveloped and developed regions are less great than in many others.

It is therefore a great pleasure for me to be able to give Mr Delmotte's contribution, this report, my very warm approval despite the fact that we undoubtedly belong to one of the countries where a national balance is definitely not present.

I am speaking here today to comment very briefly on a subject touched on this morning by Mr Johnston, namely that the sound endeavours to advance the underdeveloped areas in our nine countries should not lead to a distorted development, a false balance within the developed areas. I am thinking here of the danger that a too undifferentiated division of the Community into central and peripheral zones could easily result in the structure within the central zones becoming lopsided.

In the proposals the Commission has just put forward concerning the division of the Community into two kinds of areas, the central and the peripheral zones, I see an example of how these very sound endeavours to help the least-favoured areas in the Community may at the same time lead to an unfortunate and undifferentiated division of the central and less favourably situated areas.

Denmark is of course the area I am acquainted with and where as a minister I have been responsible for regional policy. I can mention as an example the Lolland-Falster island area, with the smaller islands surrounding it, which lies quite near to the capital. Copenhagen has been designated as the capital city area and it has to be admitted that these areas are only a hundred kilometres or sixty miles away from the capital and that the latter is an overdeveloped area. Despite all objective criteria, the fact is that these islands are underdeveloped areas in the European sense, with their typical movement away from agriculture, lack of industrialization, and lower, considerably lower, average income than the rest of Denmark.

I realize that Member States are continually getting the chance to provide a certain amount of assistance to areas within the central zones, but there is no doubt that this sharp—perhaps too sharp—division and the discriminatory treatment that goes with it is quickly felt by many people in the EEC countries as an attempt

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by Brussels, by the central authority, to press these people into a mould, without the central authority in Brussels, at the Commission, being in a position to know the local problems that can exist within quite a small geographical area.

I think it is important that this point should be made, for similar difficulties will undoubtedly arise in other of the nine Community countries also, particularly as it is stated in the resolution, which I can warmly endorse, that the human factor must play a decisive role in the regional policy we wish to create.

Thank you for this opportunity to speak. We are after all two Thomsons, one in the Commission and one in Parliament, and we ought to be able to speak to each other in this way.

(Applause)

President. — I call Mr Schwabe.

Mr Schwabe. — *(D)* Mr President, ladies and gentlemen, the course that this debate has taken might give the impression that the second largest group in this House is not sufficiently interested in the subject under discussion. It would, however, be wrong to conclude from the length and number of speeches that this is the case. Leaving aside formal expressions of courtesy, we are really grateful for what Mr Delmotte has done and presented in a brief and concise form. We would, however, like to give an express assurance to you, Mr Thomson,—in this case the Mr Thomson who is the responsible man in the Commission—there is no lack of interest in these questions on our part. The committee which recently did this work and all of whose discussions on the subject I attended is the Committee on Regional Policy and Transport, two similar, related and yet different fields, for in transport punctuality is extremely important. And I am therefore happy to say that in the new committee even I at my advanced age have learnt something of the love for punctuality from our honourable President: he occasionally gives a speaker 30 seconds to speak. I have already exceeded these 30 seconds. But what I felt I had to say was that a detailed speech prepared here, even if it is not made, can have an effect on work at committee level. It seems to me that action is far more important than words today and it would be an action if we got on with the agenda of this house. Thank you.

President. — I call Mr McDonald.

Mr McDonald. — I should like to join previous speakers in paying a tribute to the rapporteur,

Mr Delmotte, for his fine report and also to my colleague Mr Vetrone, who submitted a report on behalf of the Committee on Agriculture which we dealt with at some length at our committee meetings. I wish Commissioner Thomson every success in what is a very big task. His success is terribly important to those of us who live in the peripheral areas. We are, therefore, most anxious that his efforts should be crowned with success.

Regional policy within the EEC must be seen as a positive policy of development, the document before us should be taken only as the first step in the right direction. The various regions in our Community are so different that it is difficult to itemize a list of priorities, but there is a need to afford to all concerned—the Council of Ministers, the Commissioners, Members of Parliament—better opportunities to embark on fact-finding missions. Some weeks ago we on the Committee on Agriculture had the opportunity of looking at some hill farming problems in Italy. It was my first visit to that beautiful country and it was difficult even for farmers to visualize the grave but different problems which farmers in that corner of our Community must face. There is therefore a very great problem in enabling Members to appreciate the difficulties in the respective countries.

In that spirit, I trust that as many people as possible will visit our developing country and see at first hand the many difficulties and the problems which we have. I also feel that they would enjoy our unique, almost pollution-free environment.

Turning, briefly, to the report, paragraph 10 of the motion deals with cross-border cooperation. I am sure that this is of great interest to all members and it was dealt with fairly fully by my distinguished colleague, Mr Herbert. I was particularly impressed by the fact that my distinguished colleague Mr Brewis referred to Derry and its hinterland as an ideal example of the grave economic, monetary and social problems which some borders, especially artificial borders, cause to many people. On this score I hasten to add that the term 'artificial' in our context has been quietly dropped for some time past. But, as my United Kingdom colleague said, there is a growing awareness of this problem. This is something which could not have been said by a Conservative Member of Parliament a very short time ago and it is the kind of development to which we look forward in the new Europe. Indeed, it is music to peace-loving ears.

I am glad that our country has been designated a peripheral area and I look forward to our people progressing under the new regional

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policies. In conclusion, may I again wish our Commissioner every success.

(Applause)

President. — I call Mr Petersen.

Mr Petersen. — *(DK)* It is accepted, Mr President, as is clear from the debates here in Parliament, that this whole area must be administered with deep understanding for the variety of situations pertaining from country to country and from region to region.

I just wish to make here, Mr President, a single observation in respect of a problem already touched on by my fellow countryman, Mr Thomsen, namely the island problem, simply to emphasise that we in Denmark, just as other members of the Community, have island areas with ever-growing problems. What I wish to stress is that if we wish to give our many small islands the necessary conditions of life we must help them by providing various services, in the first place, transport services, but other ones too, so that the inhabitants can continue to follow their occupations. It is no use our preserving them as lifeless, museum-like areas. They must be living units. Particularly as we are so often talking about the improvement of the quality of life, we must endeavour to safeguard the existence of these communities.

Many of the islands with which I am acquainted are almost down to a minimum population, so great is the exodus. That is why I wanted to ask that this island problem should receive the attention which it deserves.

President. — I call Mr Thornley.

Mr Thornley. — Mr President possibly I should not speak at all in the sense that I am a very new Irish delegate and represent a very small country.

I have no particular objection to the report, but I wish to support some of the things that have been said by my colleagues.

In many countries we have very distinct regional problems. This applies particularly to France, Italy, Ireland and, to some extent, Denmark and Holland. The report brings forward very prominently the problem as to whether the maintenance of the regional—in particular farming—community is a social or a purely economic matter. It would be very serious in Europe to take the view that we regard agriculture and regional policy merely as an industry.

In those circumstances my small country, my unimportant country, my tiny country, will become an urbanized country based on Dublin, the capital of Ireland, and will then be largely denuded of its rural population because we are essentially a poor country and one based upon farming. This would be an unhappy and unfortunate occurrence.

The report brings to our minds that the necessity of maintaining a regional policy is one which puts in conflict the view of farming as merely a competitive industry and the view of farming as an area of social growth. The equalization of social living standards between the farming and urban communities is one very vital to the Republic of Ireland.

I know that in many ways it is an impertinence for me as a new Member to speak on a subject at all, but in some sense we Irish Socialists represent the English Socialists who are unfortunately not present at Parliament with the exception of Mr Taverne.

I wish to make it clear that statistically the regional policy is one of vital importance to the Community and to the survival of the character and quality of life in the countries which are now new Members of the Community.

I hope the accession of the three additional Member States will not hold back the development of a proper regional policy which will continue to improve the quality of life for the agricultural Member States with their lower standard of living.

(Applause)

President. — I call Mr Bro.

Mr Bro. — *(DK)* I should like to make a very brief observation to emphasize that in a modern community the distance to the needs people have, other than environmental ones, cannot be measured any longer in kilometres. They have to be measured in the time and possibilities that people have for getting away from the place they are in.

I should also like to draw attention to the problem of the islands. There is a terrible lack of equality in opportunities for those people who live on islands in our modern society. I believe it is very necessary that this matter should be taken up as a special question, irrespective of how far one place is from another.

That is why I should like to say that, when I consider the areas with which I am particularly well acquainted, namely those in Denmark, I do not think we can claim that the proposal now before us represents the ultimate wisdom.

Bro

I could mention areas in Denmark—I shall not weary Parliament by doing so now—which have at least equal need of the kind of aid we are discussing here.

I would therefore just like to say that, if this proposal is to be administered wisely, it should be open to revision, as it were, from hour to hour and we must have the possibility the whole time of discussing where the problems lie and how they can be solved. Otherwise it will be an unfair piece of legislation which favours certain areas to the detriment of others which in reality have just as great a need for the aid which the others are getting.

President. — I call Mr Thomson.

Mr Thomson, Member of the Commission of the European Communities. — Like everyone else who has spoken in this extremely interesting and important debate, I wish to begin by joining with those Members who have paid tribute to Mr Delmotte for the report he has presented.

In my brief period of office as the Commissioner responsible for regional policy, I have had some experience of producing a report under pressure of time and I know the problems. I therefore congratulate Mr Delmotte very much indeed for a report which I thought was extremely impressive and which was certainly very helpful and stimulating both to me and to my colleagues in the Commission.

I wish also to thank the various Members who have offered their good wishes to the Commission and to me in this task of initiating a Community regional policy.

The Commission has its ups and downs as any group of that kind should have. After some of the brickbats that were thrown at the Commission earlier this week, it is rather nice to receive the occasional bouquet. Having said that, I am under no illusions that the bouquets will continue. What I hope and know Parliament will do is to perform its role of bringing pressure to bear on the Commission to fulfil the goals of the Community in regional policy.

I pay tribute to the persistence Parliament has shown in promoting the idea of a Community dimension to regional policy over so many years. A glimpse of the long parliamentary struggle is to be found in a footnote to Mr Delmotte's report on page 10.

The newer Members of Parliament, like myself, will see that there have been six separate resolutions of Parliament over 12 years, some of them associated with the names of people who are still distinguished Members of Parliament. The Commission is proposing nothing new, the

summit proposes nothing new, in suggesting that there should be set up a regional development fund.

It is now seven years since Mr Bersani's resolution recommending the creation of exactly that kind of fund was adopted by Parliament. It is three years since Mr Mitterdorfer — who has explained to me that he had to leave to go to Rome this afternoon — submitted the motion for the first of his three resolutions. I well understand his pride of authorship of these resolutions. I noted with great concern his feeling that the bouquet that he had put together, as he called it, for Parliament in years gone by was not completely intact in the report that the Commission has put before Parliament.

I can say in excuse no more than that the Commission has a duty to concentrate on cultivating the particular blooms that the summit conference recommended it to concentrate on: those were the setting up of the regional development fund and of machinery for the coordination of national regional policies. We can I think fairly say that these ideas that have been espoused over many years by Parliament are at present moving ahead faster than in previous years.

Parliament, if it studies its 1969 resolution on regional policy and looks at the various items in it, will find that the Commission has taken account of all these points and there is no single point of that 1969 resolution which is not being carried forward either this year or high on the agenda for next year.

Parliament can claim to have kept the flame of regional policy alive in some very unpromising weather. It has had its first reward—and I quote the phrase— in the 'high priority' that the Heads of Government gave at the summit conference to the setting up of a Community regional policy backed by adequate funds.

But the full prize still lies a considerable way ahead of us. It depends on the governments of Member States of the Community showing the political will to provide adequate resources. It also depends on the demand that the Commission and all the Community institutions show that they can use these resources well to reduce and eliminate the unacceptable regional inequalities between one part of the Community and the other.

A number of Members have expressed some anxiety about the fulfilment of the summit timetable as far as regional policy goes. It was the Commission's particular concern that before coming down to brass tacks on the regulations to set up a fund and to establish machinery for coordination, Parliament should have the fullest

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possible opportunity to examine the general principles within which the Commission was working and to express their views on those principles. For that reason, the Commission has deliberately arranged its agenda so that it does not tackle the next stage of the development of policy until the various committees have had a chance, however brief, to look at the preliminary report and this Parliament has had a chance to have a full debate in plenary session. I am grateful for the various expressions of agreement with that course of action.

The Commission will take close account of everything said in this reasonably long debate and will, in the next week or two, get down to the next steps in the implementation of the summit mandate. I remain absolutely confident—I say this to those who have expressed anxiety—that so far as the Commission's responsibilities are concerned we can fulfil our obligations in terms of the timetable laid down by the summit to set up a regional development fund by the end of this year.

Turning to the substance of the various issues which have been raised, the debate has produced constructive contributions on all the main issues on which the Commission must, as quickly as possible, make concrete proposals to the Council. Those proposals will come before Parliament in the usual way.

Let me therefore comment briefly on some of the points made in the debate on the main issues. First, there is, the question of the machinery of coordination. Mr Mitterdorfer expressed some concern that the Commission had departed from the original proposal of Parliament that the regional development committee should be directly associated with the Commission rather than be, as proposed, a committee set up with the chairman coming from one of the Member States and the secretariat provided by the Commission.

I strongly urge on Parliament that the importance of encouraging the Member States to coordinate their own national development area policies is very great. A commitment entered into at the summit was that they would seek to do so without delay, and the structure of the regional development committee proposed by the Commission is specially designed to give the maximum encouragement to the Member States in that direction. It is a structure which has ample and honourable precedence within the institutional machinery of the Community. It is on exactly the same lines as the two monetary committees—the short-term one and the longer-term one—and of the budgetary committee. In the present circumstances, it is the best model to produce practical results.

I was most grateful to Mr Delmotte for the list of functions which he expected that committee to fulfil when set up. That list, which is included in the motion for a resolution which he submits on behalf of the Committee on Regional Policy and Transport, will be extremely useful to the Commission when it draws up the draft regulations determining the terms of reference for the coordination committee.

I much agree with a predominant theme in Mr Delmotte's report, namely the importance of the coordination of regional policies and the creation of comprehensive programmes of regional development at all levels, from the region itself up to the level of the Community institutions. Once the fund is established, and certainly as it grows, this kind of coordination will be a precondition of the proper use of resources.

National regional policies vary a good deal both in their intensity and in the variety of policy instruments which they use. We need what Mr Delmotte's report calls 'a coherent and effective regional development policy'—something which creates a comprehensive *ensemble*. I do not know whether I can wholly agree with Mr Delmotte's hope that the regional development committee will be able to produce what is called in the last version of his report the 'economic principles of regional development' and which was even more hopefully called in an earlier version of the Delmotte report, the 'economic laws of regional development'.

May I give my humble experience as a layman? It is that when two economists gather together three sets of economic principles normally emerge. Nevertheless, I believe very strongly that the Community can act as a catalytic force among the various national programmes of regional development.

Mr James Hill, the chairman of the Committee on Regional Policy and Transport, asked me what sanctions would be available to the Commission in terms of pushing forward its coordination of national policies in accordance with the committee's report. I do not think that it is the best thing in our Community to talk about sanctions. I prefer to talk about levers. A regional development fund, provided it is of a reasonable size and well founded in its machinery, can act as a very important lever through the regional development committee to promote exactly what the committee seeks in its report; that is, to build up a series of comprehensive national programmes, to ensure that these national programmes interlock with each other, and then to ensure that these national interlocking programmes fit in with an agreed

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framework of a Community regional programme.

Against this background the importance of infrastructure is very great and has been properly emphasized by Mr Brewis and other Members. A good deal of emphasis was laid on the importance of seeing infrastructure in wide and imaginative terms, in particular paying attention to the educational and vocational aspects. Lord Brecon laid a good deal of emphasis on that point.

On this aspect it is important, since our resources will not be unlimited, that the Community's contribution to infrastructure development should be related to creating the kind of conditions which enable new employment opportunities to be produced. However, I fully accept Lord Brecon's view that part of the climate that enables new jobs to be produced is that which offers young people a proper opportunity for vocational training and a cultural atmosphere which offers the manager's wife a reasonable environment in which to set up home. These things go together very closely. I think it is a case of the Community looking at each particular situation, but doing so on the basis of these considerations.

Many honourable Members have raised the general question of central and peripheral areas. I simply refer them to what my colleague Mr Borschette said on behalf of the Commission at Parliament's last part-session when he explained that once the immediate problem of Article 154 of the Treaty of Accession of the new Member States was out of the way, it would be the Commission's desire to institute a study on the setting up of what he called a more finely nuanced system for the regions in the enlarged Community.

What the Commission wishes to do over the next 18 months is to have on my side of the House, if I may put it that way, a regional development fund operating on the basis of relative need in the various areas of the Community and, on the other side, a framework of more sophisticated grades of development, the two marrying together so that we will have a system of regional development both in terms of providing a proper limitation on over-bidding, which is such a problem for the development regions, and in terms of the positive help that the Community can give.

The Commission is conscious that coordination, like charity, must begin at home. Coordination must be reflected in the internal machinery of the Commission itself. The regional development fund sometimes gets out of perspective. People talk of it as if it were the sole instru-

ment of regional policy within the Community. I think and hope that it will be a principal instrument of our regional policy, but it is far from being the only one. The social fund is important. The agricultural policies of the Community have very important regional impacts. The industrial and transport policies, perhaps particularly environmental policies, are equally relevant. It is important that at the Commission level we see Community regional policy as a coherent *ensemble*, not as something solely connected with the regional development fund itself.

I turn now to the criteria for determining the regions to benefit from the fund, as I have been asked a number of questions about this matter. It is in some ways the most difficult aspect of Community regional policy. It raises some complex and delicate questions to which it has taken a great deal longer to find solutions than I thought might be the case. I am grateful for the general support that the fund, when set up, should be distributed on a Community basis based upon the best objective standards across the board in the Community and for the general view throughout the debate that the concept of *juste retour* should be discarded.

I believe that after all the study that we have made of the matter the best positive indicators for the fund remain broadly the four indicators that have emerged: first, income per head within a region; secondly, the question of structural under-employment which can be measured by the degree of dependence of a region on a declining industry; thirdly, persistent high unemployment; and, fourthly, the adverse long term emigration pattern.

All these matters must be interpreted flexibly with a proper awareness of democratic political sensibilities in Member States and national parliaments and a proper recognition of the limitation of comparability of national statistics. Mr Delmotte drew attention to this in his report, and it has been underlined by other speakers.

I assure Parliament that we are taking positive steps to try to improve the statistical service of the Community and to get the best possible common basis for these regional statistics.

I should emphasize that the defects of statistics, the diversity of regional phenomena, must not be allowed to obscure quite unacceptable gaps in general living standards between one area and another. The purpose of the Community's regional policy is to try to close these gaps. In dealing with Community regional policy we must, above all, try to see it as a whole.

I was impressed by Mr Liogier's speech today in which he emphasized the importance of see-

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ing Community regional policy as what he called a harmonious balance. In other words, it is not to be thought of as the problem of areas of agricultural poverty or simply as the problem of areas of industrial decline. These two things must be seen together. Indeed, the case for one reinforces the case for the other.

That brings me to the question of the size of the regional development fund. I listened with interest to the various estimates made during the debate and with particular gratitude to what was said latterly by Mr Herbert from Ireland.

I know that Members will not expect me to join in this interesting speculation and I restrict myself to two points. First, the long-term possibilities of growth in the fund will certainly be as important as whatever is the starting point of the fund. Secondly, each Member State has its own regional problems—not by national standards but by Community standards. The more I have gone into it, the more I have become conscious of it. I paid a visit the other day to one of the German border regions and it was brought home to me pretty clearly there.

It is important for public opinion in each Member State to feel that the Community has some contribution to make to its special problem, measured on a Community basis. If the fund is too small, if it is spread too thinly throughout the Community, that will lead to derisory contributions in some areas. Therefore, if we want the regional development fund to operate Community-wide and on Community standards, and to make an effective, positive contribution to the problem of each one of the States in which it operates, it must start as a fund of a reasonable size.

What is even more important than the size of the fund in terms of money is what the fund can do to start the transfer of investment resources from the richer regions to the poorer regions. But, having said that, I do not want to exaggerate the significance of the fund in terms of solving regional inequalities. These inequalities in our modern industrial society and modern mixed economies are very deep-seated and their reduction will take a long time.

But while it is possible to exaggerate the importance of the size of the fund in terms of reducing inequalities, I do not think that it is possible to exaggerate the significance of the size of the fund in terms of the credibility of the summit communiqué. Mr Bersani said that he regarded the size of the regional development fund and the role it could play as not marginal in Community terms but central in Community

terms. He is absolutely right—and he meant it not in economic terms but in terms of the possibility of the development of the kind of European union which most of us in this Parliament seek.

I believe that regional policy is central to both main themes of the Summit—on the one hand, advance to economic and monetary union and to full European union and, on the other hand, giving the Community a human face. I was much interested in what was said on this subject by Mr James Hill, when he spoke about the Community's regional plan as having a central kind of human factor at all levels. I believe that the challenge to all institutions of the Community is to set up a fund with adequate resources and with effective coordinating machinery to enable the expectations to be fulfilled which were created by the Heads of Government at the summit meeting. I believe that the challenge is to convince public opinion in our Member States—and public opinion is often sceptical on this subject—that the Heads of Government meant business when they met in Paris and made their pledges and that the Paris summit was an exercise not in rhetoric but in the reality of European advance.

(Loud Applause)

President. — I call Mr Delmotte.

Mr Delmotte, rapporteur. — *(F)* Mr President, I should like, as briefly as possible, since you have asked us to be brief, not to reply, for that was Commissioner Thomson's task, but to take advantage of circumstances to express, with the humility befitting a new member of the European Parliament who has been given a rather delicate mission, my gratitude as rapporteur to the chairman of the Committee on Regional Policy and Transport for having chaired a very lively debate under conditions which did not always allow the attention to detail which both we and the other members of the committee would have wished for.

I should also like to say to those who spoke after the chairman of the Committee on Regional Policy and Transport, in their capacity as rapporteurs for the opinion of various committees—the Committee on Economic and Monetary Affairs, Committee on Budgets, Committee on Social Affairs and Employment, Committee on Agriculture—that is to say, Mr Mitterdorfer, Mr Pounder, Mr Bertrand and Mr Vetrone respectively, that I have culled from their speeches in this Chamber some extremely valuable information and a most constructive contribution for the presentation of what will be, after the recess, the final report.

Delmotte

Mr President, I said that I should be brief. I have not forgotten this, but I should humbly like to extend my heartfelt thanks to all those, and there are many—19 or 20—who gave their views on our report and who welcomed its presentation.

As the author, I do not feel my vanity boosted, but rather encouraged, and I stress—while apologizing for bringing personalities into this—the extremely constructive suggestions made by Mr Johnston. I feel I must tell him straight away that the committee, at the meeting which he attended, took special note of the opinions he gave, because we feel that these opinions contain an extremely positive course for the future.

I should like to tell Commissioner Thomson, in whose direction I failed to cast the flowers which were perhaps due, whilst thanking others—indeed, all he received were some thorns which perhaps were also due—how much we appreciate his difficult task and that today's debate, however limited for an interim report, gives us a glimpse of the major difficulties to be faced in the future. As to this, I would stress that aside from *a priori* arguments and a certain regionalism which are bound to affect people, even when they are their countries' representatives in the European Parliament, we must think, along Community lines, of eliminating everything which is likely to divide us and concentrate on what unites us.

And I should like, Commissioner, to tell you right away that you may be assured of our support when you tackle future developments and the difficulties which are sure to arise. After the recess, I think that, moved by a stronger European spirit than ever, we shall be capable of tackling these problems and meeting the final proposals of the Commission.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

9. *Tabling of and vote on a motion
for a resolution*

President. — I have received from:

— Mr Lücker, Chairman of the Christian-Democratic Group;

— Mr Vals, Chairman of the Socialist Group;

— Mr Durieux, Chairman of the Liberal and Allies Group;

— Mr Kirk, Chairman of the European Conservative Group;

— Mr Bourges, Chairman of the Group of Progressive European Democrats,

a motion for a resolution on nuclear tests (Doc. 137/73).

Pursuant to Rule 14 of the Rule of Procedure, a request has been made for this motion for a resolution to be dealt with by urgent procedure.

I therefore consult Parliament on the adoption of urgent procedure.

Are there any objections?

The adoption of urgent procedure is agreed.

I propose that we now consider the motion for a resolution.

Are there any objections?

That is agreed.

Before calling the first speaker on the list, I should like to point out that I have Amendment No. 1 tabled by Mr Outers and worded as follows:

I. Preamble

Insert the following final recital:

“—hoping that it will be possible to achieve general nuclear disarmament”;

II. Paragraphs 1 and 2

Replace these paragraphs by the following new paragraph:

“Calls for general and controlled nuclear disarmament with a view to putting an end for once and for all to nuclear testing anywhere in the world, regardless of the States responsible.”

I would ask the various speakers also to speak on this amendment.

I call Mr Bertrand on behalf of the Christian-Democratic Group, the Liberal and Allies Group, the European Conservative Group and the Group of Progressive European Democrats.

Mr Bertrand. — (NL) Mr President, I would thank the various groups for the confidence they have shown in me in giving me the task of elucidating this resolution and explaining the reasons for its urgency.

I am truly sorry that our colleague, Mr Taverne, did not accept the hand extended to him. The urgency consideration could then have immediately been accepted by amending the motion for a resolution. But he refused the

¹ OJ C 62 of 31. 7. 1973.

Bertrand

hand that was proffered so we have not been able to accept the urgency of his motion for a resolution. In a general statement of opinion by this Parliament, we cannot disregard any kind of nuclear armament activity, wherever in the world it may be taking place. The motion for a resolution tabled by the five groups has exactly the same object as that desired by Mr Taverne, namely to ensure that in the future no more nuclear tests of a military nature are carried out, irrespective of whether they are conducted in the atmosphere or not. We must condemn all tests of a military nature. But in that case we must be consistent and not only censure future tests but also those that have taken place in the past. There must not be the slightest doubt on this point. However, it is not enough simply to express our disapproval. We must also make our voice heard in a positive manner. That is why in the resolution we call for total and controlled nuclear disarmament.

We do not intend stating this in vague terms. We are addressing ourselves to the institutions of the Community, which must request the Council to urge Member States to get measures taken under the aegis of the United Nations.

If the motion for a resolution is adopted—and I should like to emphasise this—it is clear that the sovereign rights of the various Member States as regards their security are not impaired in any way at all. When we speak out against nuclear armament, we do so in the interests of the whole of mankind. The sovereignty of Member States as regards their own security must remain entirely unaffected within the framework of our views about the widening of the European Community.

So much for the significance, content and aim of the resolution.

I should now like to make a few remarks about Mr Outers' amendment.

Mr Outers got in contact with me to say that he was ready to withdraw his amendment if we would alter the motion for a resolution in such a way that paragraphs 1 and 2 are inverted. I believe that Mr Outers' proposal is in fact a logical one. Paragraph 1 of the resolution would then read: 'urges the realization of general and controlled nuclear disarmament'. Paragraph 2 would then read: 'expresses its condemnation of nuclear tests, no matter in what part of the world they take place and no matter what states are responsible for them.'

Mr Outers has told me—and I thank him for it—that if we accept his proposal he will withdraw his amendment. In this way we can

probably get Parliament to adopt the motion for a resolution unanimously.

I therefore urge that the procedure for this motion for a resolution be declared urgent so that we can pronounce on it today.

President. — I call Mr Fellermaier on behalf of the Socialist Group.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, the main reason for the Socialist Group joining the other groups in signing the joint motion for a resolution was to make this emergency debate possible. As I stated yesterday on behalf of my group, we attach great importance to this question.

Let there be no doubt about it, there is considerable public concern both in Europe and throughout the world at the announcement of further nuclear tests by a Member State of the European Community. This was the starting point for Mr Taverne's motion for a resolution, which also bore the signatures of a number of members of the Socialist Group.

The dangers of such tests for mankind are sufficiently well known to the people here. I do not need to go into them again. The problem facing us at present is not so much the achievement of general and controlled nuclear disarmament, since there is no-one in this house who would not be in favour of such a policy. Indeed, there is no political force in any country of Europe which would not be in favour of it. No, the question here is the rejection of atomic tests.

For this reason my group cannot agree to putting paragraphs 1 and 2 of the motion for a resolution in reverse order. With the words 'disapproves of nuclear testing anywhere in the world, regardless of the States responsible' the Socialists want to make it clear in paragraph 1 that Parliament has made its opinion known for good reasons.

The Socialist Group, which is in agreement with this motion for a resolution, would like at the same time to make it clear that it is not only the right but also the duty of the European Parliament to articulate public concern and to appeal to the Council to recommend all Member States of the Community to respect the interim ruling of the International Court at The Hague and desist from any planned series of atmospheric tests.

Like many others, we Socialists condemn all atomic tests and therefore lay particular emphasis on paragraph 1, requesting that it should stay in the same position in the joint

Fellermaier

motion for a resolution. We should like to stress very clearly that we are dealing here with the problem of atomic tests, and in addition to this with the basic question of general and controlled nuclear disarmament, attempts to achieve which are being made within the framework of the United Nations.

Comparison of yesterday's and today's motion for a resolution shows points of similarity in both the first and second sentences of these resolutions, the first of which, as was reported in today's European press, was rejected by a narrow margin. Except that Mr Taverne mentioned the Chinese nuclear tests, the text runs as follows: "... concerned with the dangers of atmospheric pollution which may arise from nuclear tests". The main difference is between the third paragraph of the joint resolution and the first paragraph of Mr Taverne's motion for a resolution: the former speaks of the International Court of Justice whereas the latter recommends acting via the United Nations.

We do not wish to re-open yesterday's debate but regret that the emergency procedure was rejected before it was agreed to today.

To sum up, I should like to say on behalf of my colleagues that the Socialist Group approves of the resolution tabled by the five groups although it would have preferred another, clearer formulation, tabled yesterday by several members of this House. However, in the attempt to arrive at the broadest possible base in this House, we have decided to agree to this motion for a resolution.

(Applause)

President. — I call Mr Taverne.

Mr Taverne. — Like the two previous speakers I intend to be very brief. In the light of what has been said by Mr Bertrand and Mr Fellermaier, there is no reason for me to go into this subject in depth.

I am delighted that it has proved possible to debate this important matter and that all the groups have found it possible to agree on a form of words which will enable the widest consensus to be established. Like Mr Fellermaier, I am not happy about the amendment because it removes the disapproval, and if we remove the disapproval it seems doubtful whether the urgent procedure is necessary at all. After all, if we simply express a general desire for nuclear disarmament, we are expressing a view which has been held in many nations for many years. There is no sense in invoking the urgent procedure simply to state that we are in favour of virtue and against sin.

The reason why this motion has come before Parliament is evident from the preamble. Quite rightly, the motion does not refer only to one nation and it makes it clear that the same attitude would apply to testing anywhere by any nation. But it contains in the preamble a reference to the rule of law in international affairs, and clearly there is implicit a recent ruling of the International Court at the Hague. Secondly, it refers to the risk of contamination—and it is particularly atmospheric tests which lead to the risk of contamination. Thirdly, it refers to world opinion, and it is in relation to recent events and presently proposed actions that world opinion has been aroused.

I do not think that we should hide the fact that this is not concerned with theoretical possibilities. It is concerned with events as they are today. Not only in Australia and New Zealand and in other areas close to the proposed testing ground is there concern. Indeed, there is widespread concern throughout the world. In Britain a boycott has been organized. Personally, I disapprove of this boycott. I think that the whole principle of a boycott in this kind of situation is dangerous. But if one is to express disapproval of a boycott one should express one's views in other ways. It seems to me eminently appropriate, while making it clear that the same principle would apply to any state, and without in any way making the motion too particular, that Parliament should express a view on a matter of such importance.

(Applause)

President. — I call Mr Outers.

Mr Outers. — *(F)* Mr President, I should like to reassure Mr Fellermaier about the object of the minor amendment which I felt I should propose.

There is no question of changing the essentials of the motion for a resolution adopted by the various political groups. And, as Mr Bertrand very rightly stressed, I think it would be highly desirable for us to reach a unanimous position today.

However, I felt that from the point of view of form and presentation, it would be desirable to begin with the first paragraph and continue with the second.

Indeed, the long-term aim—and I believe nobody in this Assembly thinks otherwise—is of course to reach general and controlled disarmament. Certainly, as Mr Taverne has just said, there are the problems of the immediate situation, but these fall within the framework of a long-term policy. Thus, the second paragraph, in which disapproval of nuclear testing is ex-

Outers

pressed, should really fall within our general concern. This is the upprose of the amendment I am proposing.

There is the second reason, which is purely formal. When one begins by saying that one disapproves of nuclear testing, without even making clear the fact that we are referring to nuclear testing of a military nature, we seem to be disapproving of all nuclear tests whatever their nature. This is not our intention. By changing the paragraphs around, which means that we shall first talk about general disarmament, some light is shed on the meaning of the paragraph with reference to nuclear testing.

These are the reasons which led me to contact Mr Bertrand in order to propose this small amendment, which, being purely formal, I repeat, in no way alters, in my opinion, the scope of the text approved by all our colleagues.

President. — I call Mr Bourges.

Mr Bourges. — (*F*) I should first like to thank Mr Bertrand for having accepted to present the text of the resolution on behalf of the five political groups which make up this Assembly; I am also indebted to him for his personal contribution to the agreement which was reached between them.

I should not have asked him to speak if Mr Fellermaier had not spoken, on behalf of the Socialist Group, pointing out the actual differences, which we feel to be essential, existing between yesterday's motion for a resolution and today's. It is precisely because these differences exist that it was possible for me to join in signing this motion for a resolution, which indeed covers the essential points.

I do not believe our Community should pass value judgements on the national policy of each of our countries. In fact, as Mr Bertrand has very rightly remarked, it is not a matter of questioning the sovereignty of the States where their security is concerned. On the other hand, we must express our concern for mankind as a whole, which has been aroused by the dangers of nuclear weapons. This is why, in confining our concern to what is essential and general for mankind, this resolution says all that must be said in this area, and my group is glad to support it.

I therefore confirm my group's agreement to a unanimous vote for this resolution, in the spirit of the presentation kindly given by Mr Bertrand.

(*Applause*)

President. — I call Mr Bertrand.

Mr Bertrand. — (*NL*) Mr President, I would urge Mr Outers to withdraw his proposal that the paragraphs be changed. I note that all the groups are in agreement with the text in its present form. This also goes for Mr Taverne and for his group who yesterday tabled another resolution. In order to avoid dissension on what is purely a matter of layout, I would ask Mr Outers to agree to this text. In this way we shall achieve the greatest possible majority and leave no doubts about the interpretation of the importance we wish to give to the political act we are effecting today. The substance of it is that we condemn all nuclear tests with a military purpose and furthermore, demand a general and controlled nuclear disarmament. It is of no importance which of these two points comes first. If we leave the wording as it is now, we can get a large majority. I would therefore once again urge Mr Outers not to persist with his proposal.

President. — I would ask you not to get involved in a procedural debate. We shall decide this matter very quickly.

I call Mr De Sanctis.

Mr De Sanctis. — (*I*) I thank you, Mr President, for giving me the floor. On such an important topic as this it is possible to demonstrate clearly to the entire Parliament what a paradoxical situation we have when all Members of Parliament are not allowed to participate in the formulation of urgent resolutions such as the one we are dealing with at this moment.

The subject we are debating is so important and of such an exceptional nature that I do not wish to distract from it or lower its tone by reopening old controversies, but I would ask your permission, Mr President, to point out that there are two reasons for my intervention.

With regard to the content of the resolution put before us, I give it my wholehearted support; and since there are not very many Italian members of Parliament present at this time, and since none of them has taken part in this afternoon's debate, I believe that I can assert that I am voicing the general feeling in our country on the problem we are dealing with.

However, having expressed full and wholehearted support for the content of the resolution, I wish to point out, and this is the second point of my speech, that our Parliament must soon take steps to deal with the unhappy situation which has been underlined by other colleagues in the past few days. I refer to the fact

Sanctis

that the procedure for the adoption of the agenda and the decision to discuss important topics such as the one we are now dealing with are such as to exclude, in effect, certain Members of Parliament from any decision-making power, thus distinguishing the Members seated in Parliament, as has already been stressed by other speakers, into first-class and second-class Members.

This a basic problem and we would like to call Parliament's attention to it once again.

In confirming my wholehearted assent to the text of the resolution put before us in agreement with representatives of all the political groups, I feel myself to be also, in a certain sense, the representative of a group and I should therefore like this resolution, at least ideally, to bear my signature also.

I should like finally to draw attention to some inaccuracies in the Italian text submitted for our consideration. In the resolution's third recital, we read that the European Parliament, 'desirous of enhancing the reputation of the Community in the forum of world opinion', disapproves of the nuclear tests. I agree, as I have said, with the substance of this, but the reference to the 'reputation' of our Parliament is not well-chosen and it could remind one of a person seeking a patent of nobility to which he has no claim or a testimony of honourable character to which he has no right. I did not feel that this called for a specific amendment, but I do hope that the Italian text will be revised in such a way as to bring out more clearly the thought which obviously inspired the people who drafted this text, namely, that Parliament wishes to convey the convictions, the feelings and the demands of all the people who make up the Community and of whom we are the representatives. In this spirit, I hope that this phrase can be suitably revised, because otherwise this section of the resolution could seem to be futile or even paradoxical.

Having said all this, I confirm once again my own personal support for the resolution and I shall be most happy to vote in favour of it along with my colleagues.

President. — I call Mr Outers.

Mr Outers. — (F) Mr President, I should like to reply to the request made to me by Mr Bertrand to withdraw my proposal to reverse paragraphs 1 and 2.

Personally, I remain convinced that the order I propose is more logical. However, any piece of legislation contains both the text itself and

the explanatory statement. I think my misgivings have been satisfactorily allayed by the explanations given by the various speakers and, in particular, by the clarification of the text given by the rapporteur; I therefore withdraw my amendment.

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

Amendment No 1 has been withdrawn.

I put to the vote the motion for a resolution as tabled by the group chairmen.

The resolution is adopted.¹

IN THE CHAIR: MR BERKHOUWER

President

10. *Personal statement by Mr Lardinois*

President. — Before we move on to the report by Mr Scott-Hopkins, I call Mr Lardinois, who has asked to make a personal statement.

Mr Lardinois, Member of the Commission of the European Communities. — (NL) Mr President, I am especially grateful to you for giving me this opportunity to make a personal statement. You will understand that I feel there is a certain need for this in view of the events of last Tuesday when I was not present in the House.

I would first like to outline the reason for my absence. A long time ago I received an invitation to attend the Royal Agricultural Show at Coventry in the United Kingdom, which is being held this week, and which is one of the largest agricultural shows in Western Europe. The President-in-Office of the Council and the Ministers of Agriculture of the EEC countries had also been invited to attend this important agricultural event in the United Kingdom on the same day.

These invitations had been issued this year in order to give extra significance to the show which had taken as its special theme the accession of the United Kingdom to the EEC. At first I was hesitant to accept the invitation in view of the part-session of this Parliament. When, however, I saw from the preliminary draft agenda that there was only one question which expressly fell within my competence, I thought that I could give a positive reply to the invitation, all the more so since the British Minister

¹ OJ C 62 of 31. 7. 1973.

Lardinois

of Agriculture had specially urged me to avail myself of this opportunity for my first formal visit to Great Britain in my present capacity. At a later stage a further six questions were added by Members of this Parliament which were entirely or partially within the area of my responsibility within the Commission.

Under the circumstances, I considered it would not be proper to leave for England without further ado and leave my colleagues to answer the seven questions. I then took the opportunity to agree, together with the Committee on Agriculture and various members who had put these typical agricultural questions, that three of the questions should be placed on the agenda for today, Thursday, in view of the fact that I also had ten questions from Mr Frehsee to answer today as well.

So the answers to these three questions were to have been postponed until today.

I was given to understand, and contacts between my private office and various official organs of the Parliament seemed to show, that this was all right and thus I left for England in all innocence on Tuesday morning thinking that the matter had been settled. Only later did I learn that on Monday afternoon the Bureau had not made a single modification to the agenda. However, I was not told of this. If I had been I would easily have been able to arrange for my colleagues to answer the three questions or to change my programme. My colleagues did have the basic material to answer the four questions which fell partially within my competence, and my contribution was included in that material.

I later understood that the Bureau of Parliament had not been able to comply with my request. I believe that this course of events is mainly due to a number of breakdowns in communications which I find particularly regrettable. I believed, Mr President, that during the six months I have been in my present office, I had built up a good and vital contact with this Parliament, an institution which I know from personal experience. This at least has always been my endeavour. In future I shall allow an extra margin of error in my arrangements with this Parliament so that at least I shall not be responsible for anything of this kind happening again.

(Applause)

President. — I acknowledge Mr Lardinois' statement, which Parliament has received with applause.

I propose that we adhere to Tuesday's decision concerning Question Time. I would ask Mem-

bers who wish to have their questions answered during the next Question Time, in September, to inform me before the end of this part-session in accordance with the Rules of Procedure.

11. *Regulation on aid from the Guidance Section of the EAGGF in 1973*

President. — The next item is a debate on the report drawn up by Mr Scott-Hopkins on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation on aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund in 1973 (Doc. 109/73).

I call Mr Scott-Hopkins, who has asked to present his report.

Mr Scott-Hopkins, rapporteur. — May I take this opportunity of welcoming the presence of Commissioner Lardinois and the words which he has just said. It is not for me to comment on his statement, but, as one of those who had a question down, it is only right and proper that I should say that I understand the confusion which arose. In all the agricultural work which has taken place during the six months that I have been a Member of this Parliament, I have grown to respect enormously the courtesy and ability of Commissioner Lardinois. I feel sure that the mess-up which we had on Tuesday will never occur again if the matter is left to him.

The report which I have the honour to present deals with only a small portion of the EAGGF funds. One might almost call it the Cinderella part of the enormous amount of money disbursed in the agricultural sector. Nevertheless, it is an extremely important sector and the funds used in it can and should have a far-reaching effect.

The recommendation from the Commission to the Council on which we are being consulted concerns an increased amount of 40 million units of account since the joining of the three new Member States of the Community. It is for disbursement in respect of operations which mostly took place in previous years, some of which have taken place in the last six months.

Basically, the emphasis of this part of the guidance fund is changing. In the past it has been mostly on individual projects. There has been a change to collective common projects and cooperative projects, although there is still a residue of projects which have to be financed, such as the slaughtering policy for cows, which is a hangover from previous policies initiated by

Scott-Hopkins

Dr Mansholt, and various other grants in the horticultural sector and other structural changes. These changes are equally important to the development of agriculture. In a few minutes we shall be discussing the question of surpluses.

The money which is being spent in the guidance section can and should have an enormous effect on the levels of production throughout the Community. I hope that in the coming years greater emphasis will be placed on and more money will be spent through the guidance section of the EAGGF, particularly in respect of the structural changes, so that we might be able to get European agriculture and the common agricultural policy back on to a reasonable level. There have been other changes. There is a reserve fund to which 20 million units of account will be added this year. It is right that we should ask Commissioner Lardinois to say exactly how he envisages this very large reserve fund of just under 500 million units of account being used, remembering that it was set up by order of the Council in 1969 and reinforced in 1970, and for what purposes it will be disbursed. There are other changes of a more minor nature. The contribution by the guidance section in respect of structural changes will be up to 45 per cent.

The contribution required from the individual production structures will be 20 per cent and for improving the marketing structures it will be 38 per cent.

I come now to one of the two existing problems. First is the disbursement of the fund. A project is started, it is then submitted for approval to its national state. Finally, it goes to the Commission for approval. There is a great deal of time lag between the conception and approval of the project and the time when the recipient—the individual producer, the cooperative body or whoever it may be—receives the money through this guidance section. I hope the Commissioner will do everything he can to speed up the disbursement of these funds.

As I understand it—and if I am wrong perhaps Commissioner Lardinois will correct me—at present the people responsible for paying out the money from the EAGGF guidance fund also do the checking both at national level and lower down. I know that an inspectorate exists, but I believe it is understaffed. I suggest that on the administrative side a little more attention be paid to the provision of more money in order that the inspectorate might be strengthened. I do not believe that those who pay out money should be in a position to check whether they have paid it out correctly. An independent inspectorate should check whether the money was correctly paid out through the guidance section and also

whether the applications satisfied the requisite criteria.

Those are my main points. We are all anxious about the amount of money paid out through the EAGGF. Everything possible must be done to guard against the possibility of fraud. We must be certain that what we do in this regard is unquestionable.

I hope the fund will grow. I believe the guidance section should be playing a bigger part in the improvement and reformation of the agricultural structure throughout Europe. In my view it will play an even greater part in dealing with the whole of the Community agricultural policy and its development.

I therefore hope the emphasis will be switched rapidly—for nothing can be done quickly—from the guarantee section to the guidance section, that more attention will be paid to this aim and that a greater amount of money will be expended on it.

I therefore have the honour to move that the report be accepted.

(Applause)

IN THE CHAIR: MR BEHRENDT

Vice-President

President. — I call Mr Lardinois.

Mr Lardinois, Member of the Commission of the European Communities. — (NL) Mr President, may I first say how grateful I am to Mr Scott-Hopkins for his kind words at the beginning of his speech. I attach great importance to his response.

I should also like to thank him for the detailed and expert explanation of his report. He has outlined very clearly the disbursement of our money from the Guidance Section of the EAGGF.

The proposal at present being discussed does not differ greatly from comparable arrangements in previous years. The total amount of the appropriations has been increased as a result of the enlargement of the Community by three new Member States, as has the amount for appropriations for special projects.

Mr Scott-Hopkins put some questions, first of all about the reserve fund which will have risen to about 500 million units of account by the end of this year. The history of this reserve fund is as follows. When we began to discuss the future structural policy in the Community,

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I think it was in 1968, and when this began to take shape the Commission proposed that a reserve fund should be included in the funds of the Guidance Section, for future structural policy. This is what happened. It took longer than anticipated at the time, one of the reasons being that the whole procedure which had to be followed before the new structural policy could come into force has taken until now to complete. Now most Member States are in a position to begin, slowly, to apply the structural policy mapped out at the time. We assume that in the coming four or five years expenditure will far exceed the 325 million units of account available in the Guidance Section, especially as this section will have to contribute a certain percentage in the future to various activities such as those connected with the proposal on hill farmers.

Taking account of the new structural policy and other proposals already made we believe that we shall need this amount of 500 million units of account between now and 1978.

I am grateful to Mr Scott-Hopkins for his suggestion about control. I can tell him that individual control of projects of this kind, which are paid and provided for by the Guidance Section, is indeed exercised by the Community. We do not leave this entirely to the Member States; the Community also has its own inspectors to examine accounts on the spot in order to check whether the money disbursed via the Guidance Section is indeed necessary and is being used for the proper purpose, in conformity with the relevant rules. I wish that we could be as reassured about the control over the Guarantee Section as we can about the control over the Guidance Section, with respect to the proper allocation of money. Unfortunately, and this is partly due to the nature of the payment, we are far from certain that the money from the Guarantee Section reaches its proper destination, as the money provided from the Guidance Section generally does.

President. — I call Mr Cipolla.

Mr Cipolla. — (I) With all due respect to the rapporteur who has done a very effective job and who has given proof of his goodwill by modifying a point in the resolution on the basis of observations submitted by us in committee, I genuinely regret that I cannot vote for this resolution because, in my opinion, the problem is not one of bureaucratic decentralization nor of administrative control, but a political one. We have a Guidance Fund which, as Mr Lardinois has said, is vastly different from the Guarantee Fund. In the first place there is an

enormous difference between the funds earmarked by the Commission for guarantee purposes, that is to say, for the protection of certain products, and the Guidance Fund, which has been frozen since 1966 and, in addition, has had 500 millions taken from it which have been set aside from 1969 onwards.

We all know how the purchasing power of all Community currencies has decreased by reason of devaluation and inflation and we note how, in reality, there has been a sharp falling off in investment in the Guidance Section from 1966 up to the present time, both absolutely and relatively. Furthermore, while the Guarantee Section secures 100% of Community allocations, the Guidance Section is limited to a maximum of 45% with the result that since the national States are not interested in contributing to the funds of the Guarantee Section and since the interested States are not made responsible for contributing to the funds of the Guarantee Section, we have the situation brought about which we shall be discussing shortly when we come to dealing with the motion put forward by the Socialist Group. I refer to the stimulus given to the increase in surpluses. Thirdly, and here Mr Lardinois is right, this Guidance Fund is shackled in a way that the Guarantee Fund is not, because such things as reimbursements, payments of intervention monies, the sale on the part of a national State of its own surpluses, for example, of butter, to a special customer are not subject to any preventive control on the part of the Commission. The establishment of an oil-works or of a wine cooperative, on the other hand, is subject to preventive and follow-up controls. In all of this we are dealing not with a technical fact but with a political one, namely, the deliberate choice on the part of the Community to adopt a protectionist policy confined to supporting other sectors which we know only too well rather than to intervene in the matter of structures. This has far-reaching consequences, as I have shown in committee by three examples. The first is the case of individual interventions. When a cooperative society submits to the national authorities a project for the establishment of a wine cooperative or of a horticultural and fruit-growing centre, such a project must be approved by the provincial body (in my own country, by the agricultural inspectorate), then it must be passed on to the ministry and finally it must go from the ministry to the Commission of the European Communities.

This means that at least two years will elapse between the time the project is drawn up and the time it is submitted for final consideration by the Commission. In two years techniques

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equipment and machinery will have changed. The result is that when the application has been favourably received, the party concerned must start again from the beginning and present another application because the project, being either technically or economically out-of-date, can no longer be carried out.

But there are even more glaring examples, such as, for instance, that of the re-conversion plan for citrus orchards adopted in a 1969 regulation based on the situation in the citrus fruit market in 1968, as a result of which the need was seen to decrease production and to change to other varieties. This plan was shuttled back and forth between the national bodies in my own country and the Commission bodies for four successive years. A highly placed official of the Commission told us that merely to translate the project submitted by the Italian Government into the various languages of the Commission took seven months (it was, it is true, a very lengthy and detailed plan). The result was that the plan was published only in March of 1973 when everything had completely changed in the citrus fruit sector. Spain and Morocco had begun to produce red oranges, which prior to this had been produced exclusively by Italy, and this product had penetrated on to the Community markets even though it had been agreed that this would not happen. This brought about the result of which you are all very well aware; there is a shortage of citrus fruit and there has been a notable failure in citrus fruit policy.

Then there is the third instance of the slaughter of milk cows; this was proposed in order to decrease the unused stocks of butter. The result is that in Holland, where this project was approved and carried through with funds from the Guidance Section, numerous small farms have been put out of business and the number of milk cows has decreased. However, in the large farms which have held their ground and which, in fact, have become even larger, the quantity of milk produced per cow has increased as has the total butter production.

Thus the opposite effect has been achieved to what was intended. In my own country, on the other hand, where, as you all know, beef production is at a very low level, this intervention on the part of the Community provided the pretext for some frauds which the national Parliament and the Senate's Agricultural Committee, of which I have the honour to be a member, succeeded in frustrating by refusing to raise the 50% of the total cost which should have been our country's contribution and which would only have caused another disaster.

The result was that the European Economic Commission upheld the appeal of a farmer (who, in fact, turned out to be no farmer at all) from the province of Lombardy and handed down a decision that this self-styled farmer was entitled to the premium for cow slaughter (which is a disgraceful and useless measure). The entire situation has been aggravated by the fact that very often these requests for reimbursement have come from butchers or at least from people who have had nothing at all to do with cattle breeding.

The Court of Justice upheld the arguments put forward on this matter by the Commission, and in this way an unworthy precedent gained its reward.

The reason I wished to give these examples, Mr President, ladies and gentlemen, is that we are all tired of Community rhetoric and of these confusions and difficulties within the Community. The whole thing will have to be changed! When the Commission gets down to work energetically, it will have to put forward new proposals. It is only right that at the GATT negotiations we should not throw the principles of Community policy open for discussion with outside interests; but it is clear also that these principles must be discussed within the Community and must be modified with a view to less bureaucracy and more democracy.

During this morning's discussion on regional policy which I followed with great attention, our colleague Mr Bersani, on behalf of the Christian-Democratic Group, made some very interesting observations on the new regional situation. In some countries of the Community, as in Italy, as many as 110 years had passed since national unity was achieved before it came to be realized that one could not govern Italian agriculture from Rome, in the sense that it is simply not possible to lay down equal norms for the Trentino-Alto Adige region and for such areas as Sicily, Lombardy and Calabria. This led to the decision to bring in legislation to make the regions a reality, as has been the case now for two years.

In spite of this, the central Italian bureaucracy, which thinks along the same lines as your own bureaucracy, Mr Lardinois, keeps doing its utmost to prevent the constitutional rights of the regions from being respected. Any proposal whatever from the regions can be set aside by means of genuine or presumed vetoes in the EEC and one begins to see an alliance between the bureaucrats in the Rome Government and those of the European Economic Commission, between the Italian bureaucrats and the European bureaucrats who do very little to advance these policies and who are only

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arousing the indignation of all the European peoples. We cannot accept a continuous increase in the number of desk jobs, while the farmers are leaving their fields and the Community is doing nothing about it.

If we denounce this collusion roundly, Mr Lardinois, we do so also for the further reason that we are on the eve of important changes in the area of agricultural policy; and we cannot think of making progress in this field without a radical departure from the courses followed hitherto. This means that we need to change, to change everything, to change in the direction of less bureaucracy and more democracy, that is to say, in the sense that powers must be given to the farmers, to the regions, to bodies that are close to the interested parties, who have the right to have their voices heard. The Community must not lay down, for instance, what requirements must be observed by someone who wishes to set up a wine growers' cooperative in Pantelleria!

To sum up, Mr President, it is my contention that the Guidance Fund is becoming counter-productive; given the way that it is administered, it is, in fact, no more than a hindrance: it is only the cunning and the powerful who can avail of it, others cannot do so.

For these reasons, Mr President, in spite of the high esteem in which I hold my colleague Mr Scott-Hopkins, I am obliged to vote against this regulation. I wanted to raise these problems so that in September, when the reform of the Community agricultural policy is discussed, members will be aware of how the Guidance Section has been administered up to now and what negative results it has produced.

IN THE CHAIR: SIR ANTHONY ESMONDE

Vice-President

President. — Mr Cipolla, you were a little over your time.

I would remind Members that we decided to finish at 7 p.m., and would ask the speakers listed to bear this fact in mind.

I call Mr John Hill.

Mr John Hill. — I am grateful to be given the floor because I wish to comment upon some of the themes raised by my colleague Mr Scott-Hopkins and answered by Commissioner Lardinois.

It seems the wish of all of us, except possibly the last speaker, that the guidance fund and

the activities promoted by it should take an increasing part in the expenditures of the EAGGF Fund as a whole. My impression is that it has always been very slow in operation. In so far as I can judge from such accounts as I have seen, the actual expenditure always appears to lag considerably behind the intended appropriations and too often it seems that the amounts available for particular types of project have not been taken up in the way in which one would have hoped and expected. Commissioner Lardinois said that there was a time lag, and possibly an acceleration is coming in the years immediately ahead, but I cannot help wondering to what extent the delay may be caused by the lack of administrative infrastructure—a lack on the national side in the poorer areas—which means that adequate use cannot be made of the facilities offered by the EAGGF guidance fund. I wonder whether the Commissioner would indicate to us whether this is a serious difficulty.

When I was visiting some of the regions two years ago I was told that some of the administrative requirements of the EAGGF bureaucracy—and I am not questioning their necessity—could not be met by an effective local response. I think that this was true in Southern Italy. To that extent I am in partial agreement with Mr Cipolla.

In that connection I was a little surprised when the Commissioner indicated that he thought that the inspectors available on his side were sufficient in number. If there is any shortage, I feel that the whole House would be very willing to urge and to authorize him to increase the establishment. Clearly, if we want the guidance fund to operate effectively and speedily, and if we find any defect in the official skills and the technical experts who alone can make it work, I am sure that we shall be pleased to make good any shortage in numbers.

It is often difficult in mounting a farm improvement scheme for the individual farmer or the small group of farmers to find the whole of the capital to pay the builders and the suppliers of capital equipment and possibly to pay the initial salaries of managers in the first years before the new project becomes viable. That sort of capital is hard to obtain at the outset. One factor, therefore, is the speed with which one gets the grant to which the project is entitled. This is true when it is a grant from one's own national government, but it is even more true when it is a grant coming from the EAGGF guidance fund. Could Mr Lardinois give us any information on whether delays have been important and, if so, to what extent he thinks they can be reduced in the future?

President. — I call Mr Baas.

Mr Baas. — (NL) Mr President. I did not intend to intervene but I have a few questions to put to our colleague Mr Cipolla. He started with the proposition that the whole administration for agricultural policy in Italy—and, later in his speech, the whole Community—should be changed. I had hoped that he would explain which sections would have to be changed. All he did, however, was to describe all kinds of frauds and express his disappointment especially at the fact that the submission of projects in Italy is hampered by very great difficulties and that the people there are not able to provide a translation of a certain project in the space of two years. However, his conclusion is that the Guidance Section should be abolished as we cannot cope with the frauds.

I would ask Mr Cipolla whether he has ever studied the agricultural policy of the Soviet Union. Mr President, I notice that Mr Cipolla is trying to speak, but I would ask him kindly to listen now to what we have to say. We allowed him to finish his speech without interruption. It is said that the agricultural policy is a nail in the coffin of the leaders of the Soviet Union, that it is an example of a branch of industry about which there is great concern even in the Supreme Soviet, and that in future perhaps leaders may fall as they are not able to fulfill the most elementary task of a government, namely, to feed the people. Mr Lardinois has been so kind as to rush to the help of the Russian people with 200 000 tons of butter. We learnt about this with mixed feelings. In a country such as Russia, dominated by political convictions which are shared by Mr Cipolla, the administration is the bugbear of the people. Mr Cipolla must not tell us that we should abolish the Guidance Section since we cannot cope with the frauds. Let us be thankful that we know about the frauds. This proves that at least that we are all ready to acknowledge our faults. I have the impression that the results in Russia are simply blurred and that frauds do not come to light there. In any case, Mr Cipolla, those results can be traced back to the administrative approach of the system which you prefer. And now you want to tell us that our administration is the cause of everything! There are other causes! I am very aware of the fact, Mr Cipolla, that we have registered exceptionally disappointing results in the field of guidance during the last few years especially.

Mr Lardinois will no doubt be able to confirm this. Basically we have not succeeded in providing guidance for agriculture for the future. We have been equally unsuccessful in effectively using the money which was available, for a branch of industry which was so urgently in need of support.

Mr Cipolla, I must ask you to think with greater clarity in the future in order to facilitate discussions with you in the House.

President. — I call Mr Lardinois.

Mr Lardinois, *Member of the Commission of the European Communities.* — (NL) Mr President, I feel there is no need to reply to the observations made by the last speaker. I would, however, like to make some observations to Mr Cipolla especially with reference to his utterance about the 6 000 useless people working in Brussels in the EEC Administration. I protest against this statement. I would like to defend here the 450 officials of the Directorate-General for Agriculture. This is an excellent service which performs excellent work. It is not a bureaucratic machine as has been described here, on the contrary. It is a body which any country in the Community could envy for the quality of its work and the enthusiasm of the people who perform that work.

Speaking as a former Minister of Agriculture, I have never heard any complaints in the Netherlands about the methods of the agricultural fund or about its slowness. We do, however, know that one Member State still has not created the administrative machinery corresponding to the EEC machinery. The reason for this is that new tasks were added which fall outside the national methods and competences. At the end of 1969 and the beginning of 1970, when I myself was President-in-Office of the Council, it was decided to grant a large premium for the improvement of the production of citrus fruits. It took three years to formulate the proposals. As for the time which was taken for translation, and this is to do with our regulations, our officials in Brussels should not be held responsible.

We know that a major discussion is in progress in Italy between the regions and central authorities in Rome on the question of who must do what. I cannot intervene in that discussion. I hope that Parliament understands that I cannot take sides in it. I hope that it will be possible to set up such machinery in Italy so that, in those areas where it is most urgent, an administration will be developed which can be linked as quickly as possible to the machinery in Brussels. This is not a matter of countries which have the most highly developed agriculture and services; those countries happen to have a lead since they were ready earlier.

In answer to Mr John Hill, I would like to say that what we have here is a slow running-down. This is partially a conscious policy in connection with the new structural policy which

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is to start this year. As a result of Commission proposals, part of the fund is destined for regional policy, in fact 50 million u.a. are earmarked for the Commissioner responsible for regional development. Action of various kinds taken both intentionally and unintentionally in connection with the fund.

I would like to make one thing clear. From earlier experience I know that the services of the Community cannot be held responsible for the undue slowness in the presentation of projects. I have proof of this.

(Applause)

President. — I call Mr Cipolla to reply briefly to the questions which have been put to him.

Mr Cipolla. — (I) Mr President, I should like first of all to address my remarks to those colleagues who are really seeking a clearer understanding of the thoughts I have been expressing. I have no reply to make to those who will insist in dragging in Russia every time. To reply first of all to Commissioner Lardinois, I wish to remind him that I did not say that the six thousand officials are useless: I said something else entirely, namely, that we cannot build up the Community as a Community of super-bureaucrats, there is a great difference. A Community can be very homogeneous and very compact and yet be decentralized in regard to decision-making: democracy and not bureaucracy. This is what we are trying to achieve in Italy after an entire century of centralized bureaucracy. We have set up regions in order, by means of them, to exercise local democratic control over those functions which were formally centred in Rome.

Right here and now, Mr Lardinois, I must tell you that, by contrast with the practice that Brussels would like to see obtaining, we have introduced decentralizing legislation in Italy so that decisions are now made in Trent, Bologna, Naples, Bari and Cagliari, in other words, in the various regional capitals.

I do not want to have to recall here the fable of the stork and the fox who invite each other in turn to dinner (unfortunately, or perhaps fortunately for Holland, the Commissioners for agriculture, with the exception of a very brief interval, have always been Dutchmen). What I mean is that I am convinced that all the regulations that have been made are perfectly applicable to Holland. But it may not be possible to apply the same regulation which is perfectly applicable in Holland in Calabria or in Ireland: it has to be adapted for Calabria and Ireland and the other countries which adopt it.

This is the error that I am criticizing. The 6 000 officials are not useful but rather harmful, and this not because of any personal harm they may do, but because they are engaged in doing things which ought not to be done at all.

With regard to the apportionment of responsibility for the citrus fruits, I think it can be said that it is six of one and half a dozen of the other. It is a fact, however, that when your representative came to the committee meeting—and Mr Baas was present on that occasion—he did say that seven months would be needed to complete the translation work. The point to be considered is whether we can find another kind of control, not a control which has to pass through seven committees in Brussels (with all the translations that this involves). Instead of that, the regions must have an interest in making decisions and in implementing plans, always subject to follow-up controls, with a view to ensuring that the money goes to the right place.

We must work towards this and I believe that my contribution here has been a constructive one and that I have refrained from making accusations which would not be appropriate at this time.

There is a need therefore for a change in policy and systems, and there is a need to recognize, especially at this time when the Community has been enlarged by the accession of three further countries, that European agriculture is such a varied thing that a law can be made which will be applicable in Ireland, for instance, but not in Italy. It is only too easy for me to reply to those who say that I am opposed to the Guidance Fund. I have always deplored, in various speeches, the fact that the resources of the Guidance Fund are so meagre; meagre as they are, however, if they are to be useful, they must be so easily accessible that both the stork and the fox can benefit from them.

These, Mr President, are the points I wished to clarify, because I believe that they can provide food for thought on the modifications which we must make in Community policy.

President. — I call Mr McDonald.

Mr McDonald. — I rise merely to compliment my colleague on the Committee on Agriculture, Mr Scott-Hopkins, on the excellence of his report. I have had the opportunity of discussing this report and the problems contained therein at length on a number of occasions in the committee. Therefore, I will not go over the same ground again.

Mc Donald

I find some of the comments by my friend Mr Cipolla rather interesting. Some of the views that he put forward are not heard in our country, although I recognize his right to express them here. I am sure there is no harm in our seeing the other point of view. However, I might agree with a few of the points that he made.

I should like to ask the Commissioner when we can expect some specific proposals or a list of proposals on where and on what projects he proposes to spend money from this fund in future. I should have liked to see the rather large sums devoted to the slaughter of cows in the Community used in a more positive way to help to solve the milk problem and not aggravate the shortage of beef which that kind of action brought about in the past.

The Commission should consider solving the problems in the Community from a positive point of view. We need in the Community very long-term agricultural policies, and we should encourage our farmers to adopt lines of production which will benefit the Community as a whole.

One of the main steps which could be taken in solving the problem is to adopt a proper restructuring of farms and perhaps the consolidation of farm holdings, particularly small holdings. I regret that there is no emphasis in the Commission on the expansion or promotion of cooperative systems among small farmers. That is a pity. Perhaps it will come.

What we want is more positive long-term thinking in the Commission. I have every confidence in Mr Lardinois and his staff. I can judge only from the personnel which the Commission have drawn from my country. From our point of view, unfortunately, they appear to take the cream of Irish brains. If every other country of the Community has contributed in the same generous fashion, the civil servants in the Community must be of a very high calibre.

I compliment Mr Scott-Hopkins and hope that speedy action will be taken on the many problems with which we are faced.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I can first of all set Mr John Hill's mind at rest. In accordance with our directives for the new structural policy, the money is paid out by the various Member States to individual farms. The Community later repays the government concerned a part of the money paid out in conformity with the directives. Since it goes through

an extra stage, a backlog cannot arise. Things are somewhat different in the case of the big multimillion projects: the building of factories in certain areas etc., with our help. As a rule, the kind of concerns involved in such projects have quite different bank relations than those of the average Community farmer.

Mr Cipolla's second statement causes me far less concern than his first. He says that he never used the expression 'useless officials'. As I understand it, the misunderstanding arose through a faulty translation. I shall gladly pass over that matter and assure him that I could find more points to agree with in his second statement than in his first.

To Mr McDonald I would, in conclusion, say the following. In the report on the revision of agricultural policy due to appear at the end of September, we shall without doubt examine more closely the section dealing with guidelines for the agricultural fund. We shall also issue further directives as to the objectives to be aimed at in the future.

President. — Thank you, Mr Lardinois.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

12. Marketing of sowing-seeds

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Miss Lulling on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a directive modifying the directives of 14 June 1966 concerning the marketing of beet seed, of seed of fodder plants, of cereal seed and of seed potatoes, the directive of 30 June 1969 concerning the marketing of seed of oil and fibre plants and the directives of 29 September 1970 concerning the marketing of vegetable seed and the common catalogue of varieties of species of agricultural plants (Doc. 115/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

¹ OJ No C 62 of 31. 7. 1973.

13. *Regulation on the common organization of the market in sugar*

President. — The next item is a debate on the report drawn up by Mr Früh on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No. 1009/67/EEC on the common organization of the market in sugar (Doc. 104/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

14. *Regulation determining for the 1973/1974 marketing year the marketing centres and intervention prices for certain varieties of cereals*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Héger on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation determining for the 1973/1974 marketing year the principal marketing centres for cereals and the derived intervention prices applicable at these centres and the single intervention price for maize, for durum wheat and for rye (Doc. 116/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

15. *Oral Question No. 60/73 with debate on agricultural surpluses in the Community*

President. — The next item is Oral Question No. 60/73 with debate by Mr Frehsee to the Commission of the European Communities on behalf of the Socialist Group, on agricultural surpluses in the Community.

The question is worded as follows:

Subject: Agricultural surpluses in the Community

At the June part-session of the European Parliament the Commission gave an unsatisfactory and

partly evasive reply to an oral question by the Socialist Group. In view of the vital importance to the people of Europe of the question of surplus production, particularly of milk and butter, the Socialist Group feels obliged to question the Commission once again on this problem.

1. What is the Commission's estimate of the amount of butter which will be subject to intervention in autumn 1973?
2. What is the Commission's estimate of the amount of New Zealand butter not subject to intervention in the Community in autumn of this year?
3. Can the Commission say what will be the total cost and the cost per kilo of butter to the European taxpayer in 1973 for storing and disposing of surplus butter production?
4. What is the Commission's estimate of the cost to the European taxpayer of storing and disposing of all agricultural surpluses in 1973?
5. What does the Commission think of the practice, prevalent mainly in the German Federal Republic, of disposing of cold storage butter as creamery butter at reduced prices?
6. What quantities of butter have been disposed of so far in 1973 at reduced prices? What measures does the Commission intend to take to increase delivery of butter at reduced prices to hospitals, social institutions and recipients of social welfare assistance?
7. Does the Commission share the view that it is cheaper to give farmers, who no longer keep milch cows, a fixed sum over a longer period of time in the conversion phase than to keep giving them milk price subsidies?
8. In view of the large butter surplus, is the Commission prepared to begin phasing out measures to promote increased milk production?
9. What ideas has the Commission in mind for limiting market guarantees for surplus products, especially milk and butter?
10. In view of the surplus production of milk and butter, has the Commission given any thought to the possibilities of quantitative control of agricultural production, and does it regard this as an appropriate agricultural policy measure to adapt supply to demand in certain agricultural markets?

I would remind the House that pursuant to Rule 47(3) of the Rules of Procedure the questioner is allowed twenty minutes to speak on the question, and that after the institution concerned has answered Members may speak for not more than ten minutes and only once. Finally the questioner may, at his request, briefly comment on the answer given.

I call the questioner, Mr Frehsee.

Mr Frehsee. — (D) Mr President, ladies and gentlemen, the Socialist Group of this Parliament has already broached the problems under discussion. Four weeks ago it asked the Com-

¹ OJ C 62 of 31. 7. 1973.

Frehsee

mission what measures it intended to take to avoid agricultural surpluses, particularly in milk and butter production. The question was a general one and was therefore answered by the Commission in very general terms.

The problem of the butter surplus is of great concern to the general public. As a direct parallel to this, questions are increasingly being asked about the value or otherwise of the agricultural market system generally and about the merits of the Community's agricultural policies. The trend in food prices adds fuel to the fire. Scepticism over the continuance of the agricultural market policy is rife. Increasingly, politicians are adding their voices to those of the specialists in the call for reforms. The theory of markets in deficit, which forms the basis of the concept of the markets regulation system, is no longer accepted to the same extent as it was before. Increasing surpluses, not only in the butter market but in a few other sectors as well, are placing a considerable burden on the market regulation system and in particular on agricultural financing. Forecasts show that there will be surpluses in other products. The Commission has tried to combat the butter surplus with export subsidies. A striking example of this is the notorious butter trade with the USSR. This has made it particularly clear that far-reaching policy decisions changing the fundamental situation are becoming necessary. These decisions must be acceptable to the majority of the European people. Unless the people of Europe understand what is being discussed and debated here in Strasbourg and in Brussels, and unless they talk about such European problems with their parliamentary representatives and are informed by them, we shall never find a basis on which to take the necessary decisions and to justify them. It is for this reason that we have again put questions to the Commission and this time framed them not in general but in specific terms.

The first of these questions—you have the list in front of you—has lost no immediacy since the June part-session. On the contrary, four weeks ago we were speaking of a surplus of 550 000 tons, whereas today we find, to our consternation, that figures of 900 000 tons are being quoted and that this is the amount by which the supply from production, existing stocks and New Zealand imports will exceed demand. In the light of this, the necessary reserves of 250 000 tons mentioned by Mr Lardinois four weeks ago are not sufficient to dispel our fears about the costs of dealing with such gigantic surpluses and the effects of such costs on public opinion.

The answer to our second question will, we suspect, make it clear that our hopes that the accession of the new Member States would perceptibly relieve the situation in the markets with surplus production were unfortunately unfounded. Great Britain in particular, as an importer of agricultural produce, was regarded as a potential sales outlet. Now it appears that, in the medium term, i.e. up to the end of the periods of adjustment in 1977/78, production will increase by leaps and bounds. In all three new Member States the authorities are promoting increased production. Ireland, for example, plans to double its milk production and processing to 4.7 million tons between 1970 and 1980. In the same period the export of milk and milk products is to be increased to 3.9 million tons, two-thirds of which Ireland wants to send to Great Britain, apparently in the hope that it will be able to take over the market position of New Zealand as soon as the Community's import obligations for New Zealand butter end in 1978.

At the same time efforts are being made in Great Britain to increase the production of milk as much as the production of beef.

As a prerequisite for all of these efforts, Mr President, producers and politicians alike are assuming that surpluses will be taken off the domestic market at the expense of the common agricultural fund with the aid of interventions, stockpiling and export subsidies. Questions 3 and 4 deal with the costs of these operations. The taxpayer has a right to know what such costs are.

In this connection, a reliable figure should be given for the costs of the storage and disposal of all agricultural surpluses, with the understanding of course that some of these costs will go to the necessary maintenance of reserves.

The fifth and sixth questions deal with the Commission's efforts to promote the sales of butter by means of price reductions. We ask whether the Commission sees any possibility of increasing the sale at reduced prices of creamery butter and butter for hospitals, social institutions and recipients of social welfare assistance. However, we do not wish to give the impression that it would be desirable for the Commission to solve the surplus problem with such measures. They can only serve to bring relief in an emergency situation. We should not like anyone to think that surpluses could perhaps be desirable inasmuch as they permit the export of butter at reduced prices and the sale of such butter to social institutions and the recipients of social welfare. Such measures cannot be permanent ones; and surpluses should never be produced for purposes of this kind.

Frehsee

Question 6 deals with the public concern over the butter trade with the USSR. Why, people ask, are larger quantities of butter not sold at reduced prices within the Community instead of being almost given away to Russia? There are people in all Member States of the Community who cannot afford butter. In view of this, after we have achieved our aim of re-establishing a normal situation and equilibrium in production and sales, we should perhaps aim at greater differentiation in the price of butter.

Question 7 once again echoes public concern. We ask whether, in the solution of the surplus problem, it would not in the end be cheaper to give farmers who are stopping milk production a fixed sum in the conversion stage rather than to keep giving them subsidies.

As you will see, Question 8 does not deal purely and simply with the dismantling of measures aimed at promoting production. It would be unrealistic if it did. But is the Commission at least thinking of making a start on the policy decision that will be necessary if the problem of surpluses is to be tackled on the production side too? The situation in the old Member States of the Community is not so very much different from that in the three new Member States about which I spoke at the beginning in connection with New Zealand butter.

It is very desirable that the Commission should in the near future draw up a catalogue of all the measures aimed at furthering production in the nine Member States.

The ninth and tenth questions were raised in the June debate and we raise them again today. They concern the policy decisions which I have already spoken about and which will be necessary for a reform of the agricultural market system. There can be no doubt that these decisions will be of great political importance and that the same will apply to a point raised in the questions, namely the possible limiting of market guarantees and quantitative control of agricultural production. Within the framework of the Community, milk production should perhaps be the first to come under such control. These questions should give the incentive for a reappraisal of the agricultural policy. Such a reappraisal should begin at the root of the problem—in the agricultural market system.

Before I finish, I should like to say that it would probably not be possible to replace the present agricultural market system by another. There is no other completely different agricultural market policy. The future of the policy does not lie in renationalization, or in a drastic general price reduction. Nor does it lie in the general introduction of income transfers.

The reforms for reshaping the policy boil down to a modification of the present agricultural market system. Any future system should, in accordance with the aims of the EEC Treaty, be designed to put agriculture in a position where it can share in general economic and social development. The future policy, which should aim to avoid excess production, must be characterized by more producer responsibility. It must be designed in such a way that the public at large understands what it is about and sees that a tough but dynamic process of development is being formed. If public opinion identifies with these goals, then agriculture, and in particular the European ideal, will be served. This is what I see as the task of the Commissions in the future.

President. — I call Mr Lardinois to reply to the question.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, I am very glad that Mr Frehsee has, in his explanatory remarks, given a different reason for putting these questions than was mentioned in the Bulletin containing his questions. It said in the Bulletin that the Socialist Group felt obliged to question the Commission yet again on the problem of agricultural surpluses in the Community because, at Parliament's plenary part-session of last June, the Commission gave an unsatisfactory and partly evasive answer to similar questions. It would give me scant pleasure if this was in fact the reason. Happily, Mr Frehsee has now stated in his oral elucidation that my reply was as general as the questions put. As he has told us, he is now putting precise questions with a view to receiving precise information. I have good reason to suppose that his questions are prompted in part by sincere concern and by the fact that in about two months' time we shall be making proposals for changing agricultural policy.

The first question was: how big does the Commission think the butter stock eligible for intervention will be in the autumn of 1973? The Commission had envisaged 360 000 tons. But if the present weather continues another fourteen days, that figure will probably have to be reduced by 60 000 tons.

The second question was: how big will be the stocks of butter from New Zealand not eligible for intervention in the autumn of this year? My answer is: at the beginning of October, about 45 000 tons of butter. On 1 February of next year 30 000 tons, which is a normal trade stock of butter for New Zealand and a half of that with which Great Britain came into the Community on 1 February 1973.

Lardinois

The third question was: can the Commission state how much in total and per kilo of butter the storage and disposal of the butter surplus will cost the European taxpayer in 1973? It looks at present as though the production of butter in 1973 will exceed the Community's consumption by about 300 000 tons. Experience has shown over the last few years that this surplus stock can only be disposed of, whether inside or outside the Community, at prices that are competitive with those of vegetable fats. The price in question is 30 u.a. per hundred kilos. That means an 80% loss in value for intervention butter, i.e. 146 u.a. per hundred kilos. The storage of butter for one whole year costs 200 u.a. per hundred kilos. These 300 000 tons of butter therefore cost the European taxpayer in 1973 about 500 million u.a. The total cost of the dairy policy is about three times greater.

The fourth question was: how much does the Commission think the storage and disposal of all agricultural surpluses will cost the European taxpayer? It is extremely difficult for me to give an exact figure. Except for butter and wheat, we cannot speak of more or less structural surpluses in consequence of the agricultural policy. More casual factors are involved, the most important being regional and weather conditions. There is such a great variety of instruments at the service of the agricultural policy—deficiency payments, refunds, etc.—that it is impossible to indicate the cost of surpluses, sales and such like. I can only say that the total cost of the agricultural policy of the nine countries in this year will amount to almost 3 500 million u.a., an amount that is approximately equal to 1.5% of what the consumer pays for the food or equal to 1.5 points in V.A.T.—at all events if we subtract the direct contributions made by the farmers and the levies on the products from the amount of 3,500 million u.a.

I now come to question five: what does the Commission think about the practice, mainly prevalent in the Federal Republic of Germany, of supplying cold store butter as industrial butter at a reduced price?

Up to April 1973 we had disposed of about 110 000 tons of intervention butter in small packs with a reduction of 23 u.a. per hundred kilos. According to the information at our disposal, it can be stated that this campaign resulted in extra sales of 1 500 tons. The total cost of this cold store butter campaign amounted to 27 million u.a. That was exactly the price at which the extra amount of butter sold was bought up by the intervention offices. In other words, from a purely commercial point of view, the extra amount of butter sold fetched a zero

price. Clearly, this is one of the very dearest kinds of sales promotion measures, seen from the point of view of the expenditure of the EAGGF.

It is not possible in the Common Market to limit such campaigns to one Member State. Such would run contrary to the principle of the free movement of goods. Nor would it be in the best interests of the dairy world if, in summer, when much fresh butter is produced, we artificially, introduced on the consumer market a lot of cold store butter as secondgrade butter. For that would mean that much more fresh butter would have to be put in cold storage and the consumer would, as it were, be offered butter that had been artificially reduced in quality.

That is why we proposed this year to the Council that the price of fresh butter be directly reduced, not by 23 u.a., as was done last year with the price of cold store butter, but by 30 u.a. Unfortunately, the Council would only accept a reduction of 10 u.a. and, so far, only two countries have introduced direct subsidies, the half of these being paid for from the national exchequer and the other half by the EAGGF.

Only in Great Britain and Ireland have national subsidies been introduced. Our proposal was that all countries should introduce them. The Council was unable to decide in favour of this and so it was urged that a voluntary arrangement be established. At the beginning of May, with the last package of measures, we finally agreed to this, expecting that even with a voluntary arrangement many more countries would be able to adopt this measure.

I have to tell you that the trend in consumption in Great Britain and Ireland has, particularly through this reduction in price, been much more favourable than we had expected in the spring. Extra consumption of butter in Great Britain is estimated at present at 12-14% as compared with last year. I am therefore convinced that if our proposals on these points had been accepted in their entirety, the result would have been a much sharper drop in prices and a much smaller rise in the price received by the farmer and that the whole picture would have been a good deal more favourable than it is in fact at present.

In answer to question six, I can state that so far this year about 280 000 tons of butter have been supplied at a reduced price, roughly half on the domestic market and half abroad. We have moreover begun a campaign whereby people on social assistance can obtain cheap butter at a price comparable with that of cheap margarine. This price represents 22% of the delivery price. The Member States avail themselves of this possibility in very different ways. In the coming

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months a great deal of butter will probably be disposed of in this manner in the Federal Republic, Great Britain and Ireland. In addition we have similar arrangements for hospitals, social welfare institutions and other such establishments. There the price is a little bit lower still. I am talking about cold store butter, not fresh butter.

I do not believe that this sort of campaign should be extended, but it would be a good thing if the various Member States made greater use of the possibilities afforded them in this respect by the European Community. However, we cannot oblige them to do so.

The answer to question 7 is in the affirmative. We have worked out an arrangement in that respect; it was approved in May. Farmers who go over to the production of meat receive a grant over a period of four years.

The answer to question 8 is likewise in the affirmative. We made a number of proposals to the Council, one being to stop interest subsidies for the purchase of milking cows, this being partly in the framework of the structural proposals. So far the Council has not been willing or able to give a decision on these proposals. The proposals are lodged with the Council and have been placed before Parliament for its opinion. As regards the possibilities for national subsidization, we are, it is true, examining whether everything tallies, but I believe that we must simply agree together to pursue a far stricter policy. In this respect I agree with the suggestions made by Mr Frehsee.

In answer to question nine I would point out that what we have got is not so much a surplus of milk as a surplus of butter fat. Owing to changes in people's eating habits, this surplus is growing as time goes by, for instance because more and more people are drinking skimmed milk instead of whole milk. Certain Member States are contributing to this situation by pursuing a strict price policy for whole milk and no price policy at all for skimmed milk.

Consequently, the dairy concerns that sell skimmed milk can earn quite a bit more, while shoving off on to us the inconvenient element, namely the surplus of butter fat. So the Community is left holding the baby. I am not against an increase in the use of skimmed milk if that is what the consumer wants. But I am against national legislations discriminating in such a way that the trade is more interested in selling the one product than the other. This is the case in various countries. We shall shortly be making proposals in respect of this problem.

We shall consider the point brought up in question nine within the context of the proposals we shall be making. I believe that certain changes will have to be made in the field of market guarantees.

We are in complete agreement with the description that Mr Frehsee has given of the intended study and the proposals concerning it, namely no other agricultural policy and no renationalization but adaptation of agricultural policy. This point too will be looked at.

My answer to the first part of question ten is in the affirmative. For an agricultural product such as sugar we have in fact already got a quantitative limitation on production.

As regards the second part of question ten, I would state that we consider the quantitative guidance of the supply of agricultural products a proper instrument for certain agricultural markets. For milk in particular, however, this instrument is, I believe, one of the least fortunate. I am not pronouncing a final opinion now. I shall do that at the end of September. I fear that the '*Mengensteuerung*' will act as a brake on the sound development of milk production. The voices one hears in favour of it usually come from areas where there is no expansion in milk production. Those areas are often characterized, however, by poor dairy farming structure. In this respect there are still tremendously big differences within the Community.

We can in general state that the structure of dairy farming in Europe is very bad—and that is putting it mildly where certain areas concerned. In Germany, for instance, 50% of all dairy cattle belong to holdings with less than ten cows, although we can state that holdings with less than twenty cows are in fact by modern standards out of date. In Great Britain on the other hand the corresponding percentage is two. I am anxious not to take measures in this respect that would freeze the situation. If we were to take such measures we should probably have fewer problems in the next few years with surpluses. I am, however, certain that in the long run we would have to pay more heavily for such action since these dairy products would price themselves out of the market completely.

President. — I have four speakers on the list. According to the Rules of Procedure, they are allowed to speak only once and for five minutes.

I call Mr Frehsee, on behalf of the Socialist Group.

Mr Frehsee. — (D) Mr President, ladies and gentlemen, I hesitate to thank Mr Lardinois for

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his answer to this extensive question. He thought that it differed from the June question inasmuch as this time it contained specific individual points. I would like to point out that all of these subsidiary questions were raised during the June debates.

I feel certain, Mr Lardinois, that you have quoted these figures with a due sense of responsibility. You know as well as I do that they are not fully consistent with much of what the agricultural press, the specialist press and other journals have published. The figure of 900 000 tons was not just taken out of the air; it had been quoted, like the figure of 550 000 tons. The figures for New Zealand butter are different. I do not at present wish to criticize this, I am merely pointing it out. You are the commissioner responsible. You have quoted figures and we have no reason to doubt them. We accept them and the public will accept them. However, Mr Lardinois, you said, if I understood you correctly, that the disposal of the butter surplus for 1973 would cost another 500 000 000 units of account. I should like to point out that the chairman of the Committee on Budgets speaking yesterday in connection with decisions on the budget of the European Parliament said that the budget would have to include an additional thousand million units of account for agriculture or for the intervention budget.

In agreement with my colleagues, I framed question 7 to take into account not only the conversion award, which we know was decided on in May and has now come into effect, but also a sum for stopping production, something which we discussed in the June session.

I should like now to clarify my question on market guarantees. The thinking behind this was simply that there might come a time when we should only be able to take from farmers a certain amount of the milk they produced. This side of the question, Mr Lardinois, you did not tackle. I should like us all to be clear on this point. I spoke of a 'question of great political importance', and it is politically very important if in future the agricultural market system is managed not only with the single control of price, but also with quantitative control, i.e. if no more than a specified quantity of agricultural products is taken off the hands of producers at a set price, an intervention price or a guarantee price. I have left open the question of what to do with anything exceeding this quantity. Such surpluses could perhaps be taken at a lower price or not at all. It will be up to the Commission to think over the new agricultural policy in this light.

The same applies to the quantitative control of agricultural production in other fields. We have

left open the question of whether an overall control should be introduced of the kind frequently mentioned in the last discussion. We do not think that national quotas should be introduced. We have in mind more the method of quota limitation, as applied in the case of sugar, which you mentioned, where specific surplus and deficit areas are treated in a special way.

I leave this point now, and look forward with interest to the comments from colleagues in other groups. Finally, I should like to express my thanks once again for the answer to this extensive question and say that I hope that it will serve its purpose. Mr Lardinois recognized that the aim of the whole exercise was objective rather than polemic, that we were concerned with future developments and that the members of the European Parliament were trying together with the Commission to come to grips with these problems. We cannot go on as we are. Something must happen and it must be something tangible. We cannot allow the impression to persist that we are just letting things go their own sweet way, that higher and higher butter surpluses are accumulating and that no tangible or comprehensible measures are being taken to counteract this situation. We expect such measures.

We were interested to read that Mr Lardinois has asked his colleagues for their views on a reform of the agricultural policy. A preliminary discussion has already been held on this subject. I do not want to prejudge these things, but just mention them in passing. Thus, after the Summer recess, when the European Parliament meets again, we expect the Commission and the Council of ministers to submit a number of measures which will also satisfy us.

(Applause)

President. — I call Mr Baas, on behalf of the Liberal and Allies Group.

Mr Baas. — *(NL)* Mr President, the temptation not to exchange views with Mr Frehsee is great. I shall attempt to resist this temptation. I am struck by the fact that questions are being put to which Mr Frehsee already knows the answers. He is already drawing conclusions and that makes it very difficult. I am of course prepared to exchange views with the spokesman of the Socialist Group—not, however, on the basis of oral questions. We have every opportunity in this Parliament—as Mr Lardinois rightly points out—to give these points a thorough discussion. I do not think it right to do so on the strength of a single product.

Mr Lardinois gave such a clear answer to the last observation by Mr Frehsee on the matter

Baas

of quantitative guidance that he ought to have waited before drawing a conclusion. That conclusion, Mr Frehsee, will not contribute in any way to a solution of the agricultural policy question. Your conclusion would freeze the situation, especially for your country. This would lead to the greatest possible catastrophe for dairy farming that one could imagine. If ever there was a country where you should not ask for the situation to be frozen, it is your country, for that will not solve the problem of holdings with less than ten cows. It is already a very big social problem, but it will only become a problem of public assistance if you really want to insist on it!

Mr President, I shall now resist the temptation to deal with the observations made by Mr Frehsee and I shall try to put a number of supplementary questions to Mr Lardinois.

I would in particular like to refer to his answer to question five. He has proposed to the Council that the price of fresh butter be lowered by 30 u.a. so that this butter can be put directly on the market. In Ireland and England the price reduction has resulted in a considerable increase in the consumption of butter. The Council has in fact decided to lower the price, but by 10 u.a. at most.

The Council has thus taken upon itself a tremendous responsibility. I should now like to ask Mr Lardinois what his proposal to lower the price of all consumer butter by 30 u.a. would have cost and how great he had calculated the increase in consumption would be in the case of such a price reduction.

I would also ask Mr Lardinois—it is a question I have asked before—whether in his opinion price reduction would reduce the structural surplus. For the drama which confronts us is the fact the structural surplus in respect of butter gets larger every year. That is why I should like to hear from Mr Lardinois whether my impression is correct, namely that consumption will in fact increase so much on account of the reduction in price that the consumption of butter will begin to keep pace with production.

Mr President, I am now going to ask a difficult and a very important question. Can Mr Lardinois tell us how many tons of vegetable fats are put into cattle-feeds and especially into calf milk? It is not only the farmer who no longer eats butter, but we have come so far that even for the raising of calves a kind of artificial milk is being used from which the butter has been removed and replaced by vegetable fats. I should like to know approximately how many tons of vegetable fats are being used for this purpose.

Has Mr Lardinois considered whether a mixing requirement for this kind of cattle-feed might be a possible way of getting rid of the increasing butter surplus? We had such a mixing requirement before 1940; it concerned butter and margarine. I would therefore ask the European Commissioner whether he can provide figures on this point.

Mr President, I should like in conclusion to put a question which Mr Lardinois would possibly prefer not to answer at the moment. In that case he is at liberty to ignore the question. The question is: in what way could the producer bear a part of the risk of a possible surplus, just as happens with sugar? This problem is probably being studied at the moment. Once again, it is all right if Mr Lardinois would rather not answer this question at the moment; we shall be coming back to it in any case, for I agree with Mr Frehsee that we must get some kind of control over production so as to be able to take measures to bring consumption and production into equilibrium.

I now come to my last question, Mr President. How far does Mr Lardinois think the price of proteins will have to be raised in order to put all butter directly on the market? Would he really dare to suggest to the Council a further reduction in the price of butter and would he at the same time shift the producers' guarantee to proteins? How far can we go with price increases for proteins without running into substitute proteins derived from fish and soya beans?

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — When I saw this question on the order paper, I wondered what the point of it was. We had had a fairly exhaustive debate about surpluses. We had a shorter debate last month on the same subject. It seemed to me that we were going over old ground and would simply get the same answers. I was wrong. We have had much more definitive and extremely useful answers.

Nevertheless, one thing is absolutely apparent. This is not a matter which has just sprung upon Europe. It has been building up over the years, and what happened in March and April this year in Luxembourg only made matters worse. A great deal of pre-emption by the farmers throughout the Community has led to a worsening of the situation. I therefore thank Mr Frehsee for bringing this question before the House again and for giving us the opportunity of listening to Commissioner Lardinois' replies. They were like the sort of report which is given annually on the state of an industry.

Scott-Hopkins

Mr Lardinois has taken the milk sector out of the rest of the agricultural situation and has given us a report on how he sees the milk situation developing. But the figures went up to only the autumn of this year. We are in a drought period and the levels of milk production are falling, as nearly always happens at this time of year, particularly when the present conditions prevail. But it is not only the position in the autumn which exercises our minds. What will be the position at the end of the winter? Will a much greater surplus build up?

It is difficult for the ordinary back bencher to deal with such a complicated subject as this because one does not have access to any authoritative figures. The library which we would normally use, as we do in our national parliaments is incredibly defective in this respect. Therefore, one must rely on the good offices—and they are good offices—of officials in various departments and the information which one can glean from them. Incidentally, it is extraordinary when one remembers how exhaustive was the information in the secretariat of the Council of Europe compared with ours.

One must therefore make a rough estimate, and I hope that the Commissioner will be able to say whether we are right in our thinking about the levels which will be reached at the end of the year. A serious situation could arise. Mr Frehsee said that we have a surplus of 900 000 tons of butter. That is my estimate, too. In spite of the various methods of disposal—100 000 tons on food aid, 300 000 tons in special exports and 50 000 tons of commercial exports—and whatever we may do in boosting sales of milk and butter, we shall still be left with 400 000 tons of butter for which no home will be available. This is a very serious situation.

We have in the Community 26 million milking cows and only four million beef cows. This is an appalling imbalance. As I said earlier in a different context concerning the EAGGF guidance section funds, a great deal more emphasis must be placed on improving the structure and changing the emphasis from dairy herds to beef herds. I am glad to hear that there is no question of a slaughter policy on this side, but a great deal more effort and money must be devoted to this task. Of that there is no doubt.

But we must go further. If I am right, we are building great mountains not only of butter, but of other surplus products, which time does not permit me to deal with. We must deal with the situation, particularly in the milk sector, while we can. In a drastic situation drastic measures are necessary to deal with it.

It was interesting to hear the Socialist Group putting forward views on quota systems and restrictions, whereas other Members, like Mr Baas, seemed to reject the idea of quota systems. I did not hear any wild enthusiasm in the voice of Commissioner Lardinois when he was discussing the possibility of imposing a quota system. If we go on in this way, he will have to find other methods of dealing with the increasingly enormous amount of butter and other products.

I do not think that he, I, or anyone else, either in or outside this House, knows how to deal with the situation. Therefore, we must look to our guidance section, our structure, and carry out the maximum switching from dairy to beef with the greatest incentives. If these are not sufficient—in my view, they will not be—we shall at the same time have to encourage sales of liquid milk and butter throughout the whole of the Community.

We must give maximum publicity through all the media—television, newspapers, and so on. The Milk Marketing Board in Britain spends £1.8 million a year advertising the properties and qualities of milk and milk products. I doubt whether a similar amount is spent on promoting milk and milk products throughout the Community. Having gone through all these motions we are left at the end of the day with one answer: there must be some form of restricting production for consumption. The only way to deal with it is on the basis of a Community quota or standard quantity linked with the guaranteed price. Whether we go on from there to similar action at the dairy level is for the Commission to decide and to come forward with proposals at a later stage.

I believe that we are facing a serious situation. We cannot allow it to continue. Honourable Members from every country and political party must face the fact that unpalatable decisions must be taken in the general interests of the Community. It is no good pussy-footing about and saying that we can do this slowly over the years and that in due course, perhaps five years, all will be well. It will not be well. We are not in that position now. We must face the fact that we have a difficult situation in the milk sector and that unpopular measures must be taken—we shall be most unpopular in some areas—to deal with the situation. To go on calling on our consumers to pay vast subsidies through taxes, by storing surplus production, be it sugar, milk, or in some form of cereal, is something they will not tolerate. Indeed, they will not tolerate selling surplus supplies of butter, for example, at knock-down prices to countries like Russia when those countries can and should pay a fair price for them.

Scott-Hopkins

We must realize the gravity of this situation and be prepared to accept the consequences of taking the necessary action to deal with it on a fair and proper basis and, as Commissioner Lardinois said, to allow technical progress, in the dairy industry particularly, to continue while restricting the amount of milk fat and butter and milk products produced throughout the Community.

President. — I call Mr John Hill.

Mr John Hill. — I thank Commissioner Lardinois for all the details which he has given us this afternoon. It has been very helpful. Like Mr Scott-Hopkins, I find once I get to Strasbourg, when there are some agricultural questions appearing in detail on the order paper, that I am badly deprived of my ordinary sources of information.

But one of the most interesting answers given by Commissioner Lardinois this afternoon, in attempting to put the matter into perspective, was that the total cost of agricultural support within the Nine countries — that is, the net cost — was about 1½ per cent. of consumer expenditure on food. On the face of it, it is an attractive statistic, although I am bound to ask him whether that is 1½ per cent. of the consumer expenditure on food after all the costs of processing have been taken into account. But what I wanted to make clear is that within that small overall percentage, two very sore thumbs will stick out — butter, which is not a thumb but a mountain, and the surplus, the very bad balance, in respect of some kinds of cereals.

I remain worried about this over-production because, despite all the slaughter policies, the fact is that in 1972 there were 400 000 more dairy cows in the Community. That is a frightening increase against a policy of reducing the number of dairy cows, and it must show that butter production in Europe is too attractive to farmers.

Of course, some farmers are forced to produce it. What worries me is that many farmers may decide that butter is worth producing at the intervention price, and there is not much at the moment to discourage them. This is a nonsense when one has regard to the fact that, although Members have said that they would like to phase out New Zealand butter, New Zealand is the world champion producer. It is a topsy-turvy world if we cannot produce butter at much less than twice the cost at which New Zealand can produce it. At the moment the intervention price in Europe is twice the price in the United Kingdom. That is a measure of the efficiency of New Zealand production.

May I praise Commissioner Lardinois for one fact — he is the only man I have seen in Europe openly drinking a glass of milk, which he did the last time I was here. I should like to follow my colleague, Mr Scott-Hopkins, in pointing out that we should encourage the consumption of milk products. When we look at the statistics we see that they are very uneven throughout the Nine countries. The Commissioner has already referred to the expenditure on soft drinks, beer and alcohol. We know that there is a correlation between the consumption of milk and the sales campaign. You, Sir Anthony, have commented that a lot of nonsense was talked about health dangers, fat dangers and coronary dangers in drinking full-cream milk. I hope that we shall get away from skimmed milk.

We shall not find it easy to get farmers out of milk production. The great disadvantage of the quota system is that it will tend to freeze the pattern. Therefore, there must be some direct discouragement. That is why I am sorry that the Socialist Group earlier this year did not support us in trying to keep the price down.

The best option probably will be to keep the price down and to provide some form of supplements to the small milk producers in a social way. If it is not done in that way, the big producer will produce more and more milk.

May I leave the question of milk and turn to sugar — admittedly not in great surplus at the moment. The year 1972 was a good year for the sugar seller. The price was high. But sugar varies in price on the world market even more than the price of soya beans. In the last decade the factor has been eightfold in the variation in prices. Now the price is good. The regulation which we passed without debate was designed to help the Commission place its surplus.

But—and this is a more technical point—that can run for one year only because the Communities' own régime runs out after 1974/75, less than two seasons ahead. A new régime, therefore must be established.

We recognize—indeed, the Commissioner has also done so—the obligations to the developing cane sugar producers, both those from the Commonwealth and those from Africa, the Yaoundé countries. We have taken a posture for GATT.

We wish to know what the prospects are. Can the Commissioner say any more about our prospects of joining the World Sugar Agreement? Finally, we need to know the procedures and consultations and how things are progressing in devising a new régime for sugar coming into force only two seasons ahead.

President. — I have three speakers remaining on the list. I hope Members will help me here. Mr Lardinois cannot be here tomorrow and we wish to call him to reply to the numerous questions that have been asked. I want, if possible, to close the debate at seven o'clock. As Members will appreciate, the staff worked very late last night. We do not, therefore, want to keep them any later than is necessary.

I call Mr Martens.

Mr Martens. — (NL) Mr President, I shall try to be brief. Mr Frehsee has done us the service of asking questions which have produced interesting answers. However, he was wrong to equate butter surpluses with agricultural surpluses. They are two different things. It is also wrong to see the butter surpluses as a separate problem. Butter is not an isolated product: it is a by-product of cattle farming. This is an important fact since there is a shortage of the main product of cattle farming, i.e. meat. For all intents and purposes one could say that there is a balance in protein production but there is a surplus of butter. Strictly speaking this situation would never have arisen if prices meat in past years had been maintained at a level which would have encouraged our farmers to produce meat.

However milk prices were more attractive. The farmers have the right to arrange their production so as to get the best income. Their income is in any case still not as high as that of other people.

When talking of milk products and cattle, then we should never forget that we are speaking of matters which concern 60% of the European farmers, i.e. three million farmers. Nor should we be surprised therefore, that this is a politically loaded problem. Of those three million farmers, at least 30% have small or at most medium sized farms. It should not be forgotten that 40% of the total agricultural revenue is derived from cattle farming. This is the figure for the whole community. In some countries it may be higher.

I would like to take my argument even further. Cattle farming occupies approximately 50% of the land devoted to agriculture. But what has happened? We have seen milk production rise, not particularly because of an increase in the number of cattle or an improvement in yield.

We have lost marketing areas, especially those in products for human consumption. On the consumer market milk fat has been gradually replaced by vegetable fat. This process is still going on. The consumption of fat is dropping

and is gradually being superseded by consumption of vegetable products.

Milk fat has also been replaced in cattle feeds. Mr Baas drew attention to this point. In earlier times there was considerable consumption of milk fat during breeding. Mr Baas asked for figures for the amount of breeding. Mr Baas asked for figures for the amount of fat in compound cattle feeds. I know that some years ago this figure was 60 000 tons. I would not be surprised if it was now 200 000 tons. These fats are derived from the processing of pig and cattle meat. When it is no longer possible to exploit the fat from cattle and pigment, there will be problems and we must not be surprised if the price of meat increases.

Mr Scott-Hopkins pointed out that we have too few beef cattle, only four million as against twenty-six million milking cows. I still wonder whether meat from the usual meat animals is cheaper than meat from other species of animals. I have my doubts about this.

I am grateful to Mr Lardinois for the very interesting information on the cost of the agricultural policy. I am really pleased to hear that it amounts to 1.5%. I know that the European Agricultural Fund involves thousands of millions but that is for nine countries! What is—and this is a question I have asked on previous occasions—the overall expenditure in national budgets for agriculture? I am convinced that these are not high in comparison with those of the agricultural fund. I would even add that if all the agricultural budgets and the EAGFF were added to the total for farmers' incomes, the results would still be far from the average income for the other categories of the population. I would thus be most grateful if we could have recent figures where possible.

As regards the cost of meat production, Mr Frehsee, it is clear that basing one's calculations on 26 million cattle and 1 500 million units of account for dairy expenditure, the result is 60 u.a. per animal.

Mr Frehsee asked an interesting question about the transfer from milk to meat and the closing down of farms.

In 1970 I proposed in the Belgian Parliament that premiums should be given for closing down farms, within the framework of the slaughter programme. Farm closure could then be concentrated on the smallest farms. Then we would perhaps be able to achieve better results. I hope that Mr Lardinois will give some thought to the coupling of the transfer from milk to meat production and the closing down of farms. In this way it should be possible to accelerate the

Martens

closing down of farms which will no longer be viable within the foreseeable future.

I now come to the question of quantitative restrictions. These will amount to a reduction of agricultural income. That however is not permissible. If farmers were to get less money from milk, compensation would be sought via meat prices. It just will not do that the income of 3 million farmers should drop as a result of the fixing of certain quotas. I would request Mr Lardinois to take account of this.

President. — Lord St. Oswald has withdrawn his request to speak.

I call Mr Houdet.

Mr Houdet, *chairman of the Committee on Agriculture.* — (F) Mr President, thank you for letting me speak, which I had not intended to do until now, since I had not wanted to draw any conclusion from this debate. Like Mr Scott-Hopkins, I would like to thank Commissioner Lardinois for the information he has regularly given the Committee on Agriculture, which in turn enables the committee to instruct Parliament.

I know, Mr Lardinois, that we had a little problem on Tuesday, but I would like to declare before Parliament that if there was a misunderstanding, it was not of your making, because you had warned me—and through me the entire Committee on Agriculture and particularly those of its members who had questions to ask—that you would not be able to be present. I had promised you to ask the Bureau to include these agricultural questions on today's agenda, because you knew you would be able to deal with them, and that they could be linked with this general debate on agriculture resulting from Mr Frehsee's question.

I wanted to make this clear. I am sorry that your colleagues were unable to answer directly the questions which were raised the other day, but, in the event, the clarifications which have been made today in answer to the question by Mr Frehsee—a member of our committee whose competence we particularly value—increases our confidence about our future relations.

Ladies and gentlemen, I will make just a few short comments on the question raised by Mr Frehsee. I will stick to his general title: agricultural surpluses. What this is chiefly concerned with—Mr Frehsee explained the term by posing nine questions—is the problem of dairy produce and in particular the regrettable disposal of a large quantity of butter under condi-

tions which, without knowing whether the matter could have been dealt with any better we nevertheless do not approve of.

I would not want this Parliament to have the same fears in July 1973 that it may have had ten years ago, when it first began working out the common agricultural policy.

Indeed, quite apart from this question of butter, which I shall come back to in just a moment, we are now entering, in almost every sector of agricultural production, a period of scarcity: a meat shortage—we observe it every day; a world-wide shortage of sugar—Mr John Hill raised this question just now; and an imminent scarcity of cereals which will force us—and I am sure that Mr Lardinois will have something to say on this point—to stockpile cereal surpluses, particularly in western Europe, because these cereals will be needed by the developing countries, and not only by them, but also by countries able to provide us with cheap imports and to whom we will need to make clear that we cannot always give them something for nothing.

I would like to repeat that we cannot afford to lose sight of the fact that we are entering a period of agricultural scarcity.

I return now to the problem of dairy surpluses. We did indeed have significant surpluses in this sector and the Commission—I believe it could not have done anything else—succeeded in alleviating some of the financial loss by means of the sales which you all know about; all the same, we should give the matter some thought.

There is a surplus of 280 000 tons of butter. This comes to 1 kilo per person per year through the Community, so that if every European increased his consumption of butter by 1 kilo per year, there would no longer be any surplus.

I realise that increasing personal consumption would be very difficult; I am perhaps a poor judge, because my country holds the world butter consumption record, and I personally come from an area which holds both the records for production of butter and for its consumption.

You all know how much butter the Normans eat. Obviously, to increase it any further would be particularly difficult. I turn to Mr Lardinois. He told us recently that thanks to financial assistance from Community funds on the one hand, and an equal contribution by Member States on the other, to effectively reduce the price of butter—an initiative actually taken by only two countries, Great Britain and Ireland—an increase in consumption had been achieved. I welcome this.

Houdet

I do not know why France did not apply these measures, but I understand the difficulties. I have already spoken of the significance of our butter consumption, and I have pointed out that when, for social or other reasons, we have produced butter, we have also sold it cheaply, but have at the same time increased our stocks of fresh butter.

You can therefore see, as Mr Scott-Hopkins has said, that the problem of the butter surplus is a particularly grave one.

All of us—you, Mr Commissioner, us, members of the Committee on Agriculture, and Members of Parliament—will need to use a great deal of imagination to find a solution. I do not want to exclude our respective Ministers of Agriculture from making this effort, but I believe that this matter is of such importance that, when you, Mr Commissioner, come to submit the planned changes in common agricultural production to the Committee on Agriculture, we can be forgiven for not having examined in detail the question raised by Mr Frehsee relating to rice surpluses.

Someone has suggested that the increase in butter production should have been paid for directly by the producers. Now, it was pointed out a few minutes ago that 50% of dairy cattle in the Federal Republic of Germany are owned by small farms. The situation is similar in France, where the percentage is more or less the same, but you will realize that it would be very difficult to ask these producers to cut their production without giving them equal compensation. Whatever form such compensation might take, it is obvious that it is the Community budget and the national budgets which would have to foot the bill.

Here too, I would say that some thought might be given to the idea that those who produce too much and who as a result put the market out of balance, should bear the cost. However, the consumption of animal fats in the Nine is very weak in comparison with the total consumption of fats and oils from vegetable and marine sources. To maintain this balance, would it be possible to require the processors of vegetable and marine fats to bear the costs they are causing by disrupting the European market for fats and oils?

Those are some of the many questions which need to be given more study. My thanks are due to Mr Frehsee for having brought this problem to the attention of Parliament. I hope the Committee on Agriculture can get together with Mr Lardinois so that we can tackle the problem on this sort of basis, as Mr Scott-Hopkins wished, and I hope that we all have

sufficient inspiration to enable us to find a solution. That is the hope I want to conclude with.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, Member of the Commission of the European Communities. — (NL) Mr President, I shall attempt to answer the supplementary questions as briefly as possible. I shall begin with the question by Mr Frehsee. Naturally I mentioned the figures. They are official: 900 000 tons. Firsty there is the amount in stock, then we have a certain level of production and then the amount imported from New Zealand. Then the amount to be marketed is deducted, and the remainder is 900 000 tons. We are also doing what we can to get rid of the 900,000 tons. But the result is that the stocks at the end of the year are just as large as at the beginning. We estimate stocks for the beginning of winter at 350,000 tons. If this weather continues the figures may be lower. I do not believe that there is much chance of the stocks rising in view of consumption trends. Therefore I consider that these figures are realistic enough. Otherwise I would not have mentioned them.

Mr Frehsee said that marketing butter costs 500 million units of account. I was speaking about the surplus. The total dairy policy costs, as I have said before, are almost three times as high. Part of this amount is the sum that we shall have to ask for extra this year. I hope that this sum will be a good deal lower than the extra amount that we require for the EAGGF.

Mr Frehsee also said that there should be a surrender premium or a slaughtering premium, or both. I would not exclude this possibility given a certain market situation, but at the moment we need meat and thus we also need calves. I do not believe that the market is well balanced enough for us to introduce slaughtering premiums at this time.

I agree with Mr Scott-Hopkins that we must be cautious in this respect. Perhaps the time may come in five years or so. If I were to say three years this would perhaps be speculative.

It seems to me almost impossible not to have to purchase a certain amount of milk from the farmers. It is a different matter to purchase the milk from them in order to process it in a certain way and then to make them bear at least part of the cost. That is an idea which I would certainly not like to dismiss at the moment.

Mr Baas put a number of very interesting questions.

Lardinois

In the Community, calves consume a quantity of substitute butter fat which is precisely equivalent to the butter surplus, namely 300 000 tons. In fact it is 240 000 tons of fat but from this one can make 300 000 tons of butter. This quantity of vegetable fat goes into the calves milk. If the calf were to receive its natural food, namely full milk powder or full milk—corresponding to the original purpose of the cow's milk production—we would then have no butter surplus.

I am not in favour of a mixing order for margarine and butter. In my view one of the major reasons for the radical drop in butter consumption in the Netherlands is the fact that a mixing order was issued in the pre-war crisis years and as a result the consumer could no longer tell the difference between butter and margarine and this spoiled his taste. The Dutch butter market has never recovered from this.

Mr Baas also asked in what way the producer can make a contribution. In many ways. For example, the price of milk could be frozen for three years or so. This would achieve a great deal. It was done for two long periods in America in the sixties.

At the moment America imports milk products. I am convinced that it will continue to do so. Despite a price increase of 30% America imports more milk products than ever before.

Another measure which could be taken is to lower the intervention price by, for example, 1 pfennig and to use that pfennig for special purposes. The pfennig would therefore not be paid out. There are other possibilities. My experts are working on a number of proposals for such measures. Whether I shall take them any further is another question.

The question was asked how far the price of butter must drop if we wish to rid ourselves of butter surpluses. I am unable to give any answer to that question but I know almost for certain that the price should then be approximately between the present price in Great Britain and the present community price.

We are indeed already actively trying to reduce the price of butter structurally, particularly in relation to the total guarantee price for milk. Only five years ago 90% of the income from milk for farmers in Germany, Belgium and such countries came from butter. That was when there were still national policies. We have now reduced this percentage in the community to 58. In Great Britain 40% of the income came from butter fat and 60% from the non-fat parts of the milk. In my opinion we must create a 50-50 relationship throughout the community, i.e. 50% of the farmer's income should come from butter fat and 50% from the protein in milk. That is

the relationship which we must take as our target although I cannot say at what speed we should try to attain it. The Council have now taken an initial step and the result of this is that we now have a 58:42 ratio. We must however continue our efforts in that direction. We have, however, already made a great deal of progress.

The present problems have also been caused by differences in eating habits between the European countries.

Mr Scott-Hopkins again pointed out the significance of switching from milk to meat production. I agree with what he says but the reality is always more complicated than theory. If the problem could be solved so simply, by producing more meat and less milk, it would only be a temporary one. However things are not so simple. The question is a good deal more complicated. I shall return to it later. Generally speaking I agree that more emphasis must be put on meat production. However I repeat that the problem is not so simple.

I also agree with the observation that no money should be thrown away on unnecessary storage. However, some storage is certainly necessary in the contemporary world.

I certainly do not anticipate that the position with regard to stocks will be worse at the end of the year than at the beginning of winter. The proportions are sure to be reversed. The degree to which the situation improves depends for a great part on cattle feed costs and consumption trends.

Mr John Hill asked whether the 1 1/2% also included the costs of processing. That is indeed true but I would point out that we guarantee not only milk and butter but also skimmed milk powder, etc. Therefore with our measures we also support the food-stuffs industry to a great extent.

I agree with what Mr John Hill had to say about New Zealand. We must share responsibility for the extension of New Zealand's market. Otherwise we must thwart New Zealand's plans less elsewhere. Perhaps we can also create new possibilities for New Zealand by way of an international dairy produce agreement. It must however be well understood that the world cannot live on New Zealand's production costs. Only one country in the world can do this.

Relatively speaking, despite the very bad structure of milk production, it occupies a better position in the world than a number of other products. Relatively speaking we have the same level of costs as North America. This is certainly

Lardinois

not true for vegetable products. Our costs level is certainly much better than the East European one. The tropical countries do not produce at all. Seen objectively the cost conditions for milk in Western Europe are not bad. However they could be considerably improved. New Zealand represents a great exception in the world; regarding costs no other country can hope to compete with New Zealand.

On the matter of sugar I would like to say that it is very likely that we shall finish our proposals on sugar within 14 days. Soon—I estimate in two weeks time—there will be proposals on policy over two years, participation in the international sugar agreement and the observance of our obligations towards the under-developed areas of the Commonwealth.

Mr Martens put a number of questions on the agriculture budget in the various countries. Unfortunately I do not have figures available at the moment. I will however look into the matter. Perhaps it can be brought up again in the Committee on Agriculture.

I agree partially with Mr Martens' observations although the implication was that things were fairly satisfactory. I would not like to create the impression that I thought that the butter surpluses were fairly satisfactory. Naturally we can see everything in relative terms but the trend in modern eating habits is against the consumption of fats. We must not take this too lightly. An increasing number of measures which were earlier taken at a national level by the Member States are being dropped, particularly when they cost money. Publicity is being dropped. There is a tendency to let the community pay. In the proposals to be presented in September there will have to be measures not only for farmers and dairy factories but also for the Member States. Member States must make a maximum contribution to the creation of a balanced market for dairy products. It is certainly not right that full milk should be linked to narrow price regulations as in the Netherlands and Denmark, whereas the price of skimmed milk is left completely free thus enabling the dairy factories to make some extra money. The result of this will be that the dairy factories will advertize this skimmed milk more intensively. We must then pay even more for the butter which is left over.

I thank Mr Houdet for what he said about Tuesday's incident. I agree with him about the relativity of butter surpluses. However the impression should not be left that the problem is being swept under the carpet.

I would like to make this clear by way of an example. Three weeks ago we had to take

measures against possible speculative export of skimmed milk powder from the Community, despite the fact that the situation is, statistically, that we have no reason to anticipate any problems regarding supplies of skimmed milk powder. The statistics show that our supplies are perhaps too generous. However, at the same time we face a shortage of soya beans, a product that was the world's cheapest source of protein but which has now become the dearest vegetable protein. In one year the price of soya beans has risen five-fold. Now we no longer know what is going to happen in the case of skimmed milk powder in, say, three or five months. Our view was that we must be cautious with skimmed milk powder; we must give priority to skimmed milk powder supplies for Western Europe, despite the risk of extra surpluses arising as a result of lower exports.

Mr Scott-Hopkins said he wanted meat, meat, and more meat. A number of measures have been taken at national level. In France there have been measures to stimulate production of baby beef, but if you were to go to central France now you would probably witness large protest demonstrations by the very farmers who have just switched to baby beef production. Between the time when they started production—and this required a large amount of capital—and the present time when the product is coming onto the market the price has dropped by approximately 25%.

Here we have almost the opposite situation. We must take measures against possible shortages of milk but at a regional level we have difficulties with meat surpluses of a certain kind. Against this general background I can only say that the butter surpluses will for the time being deprive us of many nights' sleep.

(Applause)

President. — Thank you very much, Mr Lardinois. You will all agree that Mr Lardinois did not spare himself in answering the innumerable questions put to him. He has given a lot of information for which we are grateful.

I have no motion for a resolution on this debate.

Does anyone else wish to speak?...

The debate is closed.

16. *Change in agenda*

President. — I call Mr Houdet.

Mr Houdet, Chairman of the Committee on Agriculture. — (F) Mr President, excuse me for intervening again, but I wanted to refer to

Houdet

tomorrow's agenda. The Commission has asked for Parliament's opinion on the proposal for a regulation amending the import arrangements for wines originating from the Magreb countries and from Turkey.

This report requires urgent consideration. It is a question of time. If we do not make a decision now, there will be a legal vacuum in the intervening period. In these circumstances, I request that this report be added to tomorrow's agenda for consideration without debate—the Committee on Agriculture agrees with this procedure.

I would like to add that Mr de la Malène, chairman of the Committee on External Economic Relations, who was not able to be present this afternoon, asked me to put the same request to you for the same reasons, with regard to a report by Mr De Koning on special quotas for the import at reduced tariffs of cattle of certain mountain breeds into the Community.

President. — Are there any objections to the placing of these two items on the agenda?

That is agreed.

17. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Friday, 6 July 1973, with the following agenda:

10 a.m. to 12 noon

- vote without debate on the motion for a resolution in the report by Mr Dewulf on the suspension of duties for goods intended for disaster victims;
- report by Mrs Orth on the approximation of legislation on cosmetic products;
- report by Mr Ballardini on participation in the work of UNO organizations;
- vote without debate on the motion for a resolution in the report by Mr De Koning on tariff quotas for certain mountain breeds of cattle;
- vote without debate on the motion for a resolution in the report by Mr Vals on wine imports from Algeria, Morocco, Tunisia and Turkey.

The sitting is closed.

(The sitting was closed at 7.15 p.m.)

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IN THE CHAIR: LORD BESSBOROUGH

Vice-President

*(The sitting was opened at 10 a.m.)***President.** — The sitting is open.

1. Approval of minutes

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

Are there any comments?

The minutes of proceedings are approved.

2. Membership of committees

President. — I have received from the political groups requests for the following appointments:

(a) from the Socialist Group

— Mr Faure to the Political Affairs Committee,

— Mr Leenhardt to the Committee on Economic and Monetary Affairs,

— Mr Lagorce to the Committee on Public Health and the Environment and to the Committee on Energy, Research and Technology;

President

(b) from the Christian-Democratic Group

- Mr Verhaegen to the Committee on Energy, Research and Development and to the Committee on Cultural Affairs and Youth,
- Mr De Koning to the Joint Committee of the Association with Turkey,
- Mr Scholten to the Joint Committee of the Association with Greece, to replace Mr De Koning;

(c) from the European Conservative Group

- Lord Reay to the Committee on Regional Policy and Transport, to replace Lord Brecon,
- Sir Douglas Dodds-Parker to the Committee on Public Health and the Environment, to replace Lord Brecon.

Are there any objections?

These appointments are ratified.

3. *Regulation on the suspension of duties on certain goods distributed as gifts to disaster victims*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Dewulf 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 totally suspending the duties of the common customs tariff, charges having equivalent effect and agricultural levies on goods imported as gifts from third countries for free distribution to disaster victims (Doc. 105/73).

I have no speakers listed.

Does anyone wish to speak?...

I put the motion for a resolution to the vote.

The resolution is adopted.¹

4. *Directive on cosmetic products*

President. — The next item is a debate on the report drawn up by Mrs Orth on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive on the approximation of Member States' legislation on cosmetic products (Doc. 35/73).

I call Mr Walkhoff, deputizing for Mrs Orth, rapporteur, who has asked to present the report.

Mr Walkhoff, deputy rapporteur. — (D) Mr President, ladies and gentlemen, as Mrs Orth is ill, it falls to me to explain the report of the Committee on Public Health and the Environment on the Commission's proposal for a directive on the approximation of Member States' legislation on cosmetic products. Before I do this, however, I should like—on behalf of you all no doubt—to wish Mrs Orth a speedy recovery and to express our thanks for the report which she has drawn up and which has been approved by the committee.

After a two-year delay, the committee welcomes this long overdue proposal for a directive, which aims at the complete harmonization of legislation on cosmetic products. It also shares the Commission's view that the most important objectives of community legislation in the cosmetics field must be the preservation of public health and an adequate measure of consumer protection and that these objectives should be achieved with the aid of measures which take account of the economic and technological necessities and possibilities.

This basic agreement should not, however, conceal the fact that there are considerable differences of opinion between the Commission and the committee as to whether the proposal submitted to us has as its goal a meaningful harmonization in all respects, i.e. uniform legislation to the benefit of consumer protection. Anyone taking the trouble to scrutinize the motion for a resolution, the explanatory statement and the amendments proposed by the committee will realize that the majority of the committee members see in the Commission's proposal a paper which primarily safeguards the interests of the cosmetics industry.

The outcome of the Commission's work does not come as a surprise to anyone who knows that although representatives of the manufacturers had an opportunity to comment while the proposed directive was being drawn up, consumer associations were not consulted. This in itself gives rise to doubt as to whether the Commission's claim that the most important objectives to be achieved with this directive are the preservation of public health and an adequate measure of consumer protection is to be taken seriously. The Committee on Public Health and the Environment has given unmistakable expression in Paragraph 3 of the motion for a resolution to its disappointment at the procedure adopted by the Commission.

Measures taken to preserve public health and provide an adequate measure of consumer pro-

¹ OJ C 62 of 31. 7. 1973.

Walkhoff

tection must of course take account of the technological and economic necessities and possibilities. Everyone will agree on this. The answers to the question as to what should have priority, however, vary considerably. While the committee feels that public health and consumer protection should be regarded as the principal objectives, the commission's proposal demotes the consumer to the guinea-pig of the cosmetics industry. This may sound like a harsh accusation but it is justified by reference to the provisions of the proposed directive, according to which any substance not included in the negative list of harmful substances may be processed into a cosmetic product. Nobody, whatever his views, would have the courage to call this list complete. Germany has already suggested numerous additions to this list. Putting it bluntly, this negative list procedure means that no evidence need be produced of the harmless nature of products—and in particular new products. Whether or not a product is harmful or harmless is tried out on the consumer; allowance is made for the possibility of his falling ill and the substance concerned being then included in the negative list. I must compliment the cosmetics industry on the considerable savings in the technological and thus the economic sphere that this proposal would bring.

Unfortunately, the Commission and the industry have paid too little attention to the question of who will be footing the bill. In contrast, the Committee on Public Health and the Environment attaches considerable importance to this question and has reached the conclusion that justice can be done to the consumer only by the application of a binding positive list like that used in other sectors at Community level. This means that the manufacturer will have to produce evidence of the safety of new products before he is allowed to market them.

This will prevent experiments being made at the expense of the consumer's health. At this juncture, I may perhaps be permitted a personal remark: I am assuming that a positive list like that envisaged by the committee should not include any substances for which a doctor's prescription must be given. For it is inconceivable that substances for which a doctor's prescription is required and which are therefore subject to medical control can circumvent this supervision in the form of cosmetics.

The manufacturers' argument that the committee's proposal would prevent the development of new preparations has been rejected as untenable since what the committee envisages would not prohibit the most varied of combinations of the permitted substances. The majority

of the committee members were, however, aware of the practical difficulties entailed by immediate application of the system of a positive list to cosmetic products. It is therefore in favour of a transitional period of 5 years.

In the case of substances at present included in cosmetic goods which have not been proved to be harmless, the committee suggests that a decision be reached as early as possible on whether they are to be permitted or prohibited. In the committee's view, the transitional period of 3 years provided for by the Commission should be regarded as a maximum period and, if possible, an earlier decision should be made on the final authorization or prohibition of such substances.

To ensure effective control from the outset and to allow consumer protection to become a reality, the Committee on Public Health and the Environment demands that the measures required to supervise the proper implementation of the provisions to be provided for in the directive be taken no later than at the time of entry into force of the directive.

We have suggested further amendments to protect the consumer, which extend from the obligation to indicate special precautionary measures when using a product to protection against misleading advertising and the demand that the required details be given on the packaging of the cosmetic product in the language of the country in which it is sold, since—to take up this last point very quickly—it should not be necessary for people in some Member States to have a mastery of a language to use cosmetic products safely.

I do not want to go into detail on the undoubtedly important amendments suggested by the committee since they are available in written form and since too lengthy an explanation of the details would, in my opinion, distract from the major problem raised by the Commission proposal, the negative list system, and the committee's counter-proposal that it be replaced by a positive list. At this point I should like to thank the Legal Affairs Committee, on whose behalf Mr Hunault delivered an opinion. The Legal Affairs Committee—this I would like to stress in particular—also came out in favour of a positive list.

Mr President, honourable Members, the decision is now for or against the consumer, for or against public health. On behalf of the Committee on Public Health and the Environment I would ask you to vote in favour of the consumer and to approve the motion for a resolution and the amendments suggested by the committee.

(Applause)

President. — It is hoped that the House will be able to rise at about 12 noon. Therefore, I hope that speakers will be as brief as possible. I call Mr Scott-Hopkins on behalf of the European Conservative Group.

Mr Scott-Hopkins. — Mr President, I start from the premise that, as the rapporteur said, we are trying to protect the consumer and at the same time not restrict the amount of trade that is going on in these cosmetic products.

Before coming to my main argument, I should like to congratulate the rapporteur on the way that he has presented his report in the unavoidable absence of Mrs Orth, who I hope will soon recover. This subject has been hanging about for a long time and at last we are dealing with it.

For the convenience of the House I will deal with my amendment to paragraph 6 during my short speech so that when we come to the amendment later I shall only formally move it.

What the Commission is trying to do is extremely important. Indeed, it is moving a good way along the road to increasing consumer protection. However, I doubt whether some of the proposals for amendment in the report will achieve what we are trying to do, bearing in mind our basic objectives.

The first difficulty concerns the proposals in the report on Article 1, where it is suggested that we leave out the word 'protect'.

In the United Kingdom, and I believe in some other countries, the description embodied in our legislation of the word 'cosmetic' is given as meaning

'any substance or preparation intended to be applied to the various surfaces of the human body including epidermis, pilary system and hair, lips and external genital organs, or the teeth and buccal mucosa wholly or mainly for the purpose of perfuming them, cleansing them, protecting them, caring for them or keeping them in condition, modifying their appearance ...or combating body odours or normal body perspiration'.

This is a comprehensive description. The report suggests removing the word 'protect' because it is argued that this is making it more difficult and is blurring the difference between medicinal products and those used purely for cosmetic purposes.

I take the opposite view. I believe that we are doing it the other way round. We are making it more difficult by taking out the word 'protect'. Therefore, when we come to deal with this matter on an amendment moved by Mr Noè and others, I hope that we shall be able to restore the original words.

I now come to my main point. I agree entirely with the basic premiss of the report. I want to move away from the negative list which contains products which cannot be used. In paragraph 6 of the recommendations there is a clear indication that we should move to a positive form of protection for the consumer. I am certain that this is infinitely better. With a prohibited list of ingredients and substances certain methods of checking bacteriological content and purity are necessary and must be absolutely uniform throughout the Community. In one country one may have traces of some of the banned substances included in a particular product offered to the consumer which may have slipped through that country's checking processes. I will not name particular countries, but it is obvious that if the methods of investigation in a country do not pick up the trace element in a banned product when checking for purity, a dangerous situation can arise. That is why I propose to move an amendment to strengthen paragraph 6.

We are asking the Commission to produce within five years a system under which a product—and this applies to both old and new products—shall be given a positive cachet indicating that it is not harmful to the consumer and making it plain that the purity of the ingredients is such that they are not harmful in any respect. This would not restrict research or development because the manufacturer of any new product would be able to submit it, with the necessary clinical information, to a board which would check the product and, if it was acceptable, give it the necessary cachet. Only when that cachet had been given would it be possible to sell the product to the consumer.

This, of course, raises the problem of harmonization throughout the Community. That is why it is essential to establish that the Community Committee—which is included in the original proposals but for a different purpose—should be in a position to supervise and harmonize the checking facilities throughout the Member States. This would ensure adequate harmonization throughout the Community. Each Member State would be charged with the responsibility of dealing with the various products and their ingredients and establishing their acceptability; but over and above that there would be action at Community level to ensure standardization of checking throughout the Community. The sooner we move to such a system the better. We shall then give consumers throughout the Community much better protection. I will not mention specific examples, except to say that one has only to speak of thalidomide to get an emotive reaction, but it is clear that dangers exist under a negative system. I hope that

Scott-Hopkins

Parliament will accept what the committee is putting forward in the report and will also wish to strengthen paragraph 6 along the lines which I am proposing.

There are also various other recommendations, for example about labelling in the various languages of the countries concerned. The stricter we are about giving information to consumers so that they know precisely what they are applying to themselves, the better. Bearing in mind the need for a clear distinction between medicinal products and cosmetic products, I wish to retain the word 'protect' in the definition.

With those few changes, I am more than willing to accept the report. I am sure that we are moving on the right lines. I welcome not only the report from the Commission but that which has been presented by the rapporteur.

President. — I call Dr Hillery to state the Commission's position with regard to the amendments proposed by the parliamentary committee.

Since the amendments have already been discussed, I would ask Dr Hillery to state the Commission's position on these too. He may speak again when the amendments are called individually.

Dr Hillery, Vice-President of the Commission of the European Communities. — First I should like to thank the Committee on Public Health and the Environment, especially Mrs Orth and the deputy rapporteur, Mr Walkhoff, for the positive and very thorough report on the Commission's proposals for a directive on cosmetic products. I will make some comments on the suggestions in the report.

In the case of paragraph 1 of Article 1, the Commission accepts the extension of the scope of the directive to cover dentures. We think, however, that the word 'protect' in this paragraph should be retained. The protective aspect is important in cosmetic products. The Commission does not share the fear that the inclusion of the word 'protect' in the definition of cosmetic products would make more difficult the distinction between pharmaceutical and cosmetic products. The Commission is likewise in favour of retaining the third paragraph of Article 1 and Annex V. The studies of the products in Annex V are being continued in order to determine the final position of these products.

The amendments proposed to the second paragraph of Article 7 and the third paragraph of Article 11 concern matters which have been

discussed on several previous occasions, including the June session when Parliament dealt with the directive on fertilizers. I shall therefore confine myself to saying that, by leaving it to the Member States to decide whether the labels must be printed in the national language or languages, we have, in the opinion of the Commission, established a reasonable balance between the interests of the consumers and the interests of the manufacturers. The procedure stipulated in Article 11 is that which the Council approved in 1969 when it accepted the general programme for the elimination of technical obstacles to trade. With regard to the amendments to Articles 5, 6, 9, 12 and paragraph 2 of Article 14, the Commission agrees with the recommendations of the committee and will propose the appropriate changes and deletions.

The Commission understands the principle behind the proposed amendment to paragraph 3 of Article 14. We cannot, however, agree with the proposal to make it an obligation for Member States to submit the text of the provisions for the implementation of a directive six months before the deadline. Such an obligation would have no practical effect. It is for Member States to decide how to implement Community directives, and they may change the legal basis at any time as long as they comply with the requirements of the directive.

The wording in the Commission's proposal is, in our view, appropriate. I assure Parliament that the Commission does not leave it entirely to Member States to take the initiative in this matter. I should emphasize that the Commission keeps under constant review the steps taken by Member States to comply with Community directives.

May I deal with two points which have been raised. One concerns the procedures of the Commission in terms of consultation with manufacturers and consumer interests. I will bring this point to the notice of those concerned with the question of consultation and, if there is a deficiency in this matter, will ensure that it is corrected.

As regards the rather harsh judgment that the Commission gives priority to manufacturers' interests over those of consumers, it would be a wrong principle if the Commission did that. I cannot accept that it would do it voluntarily. However, the fact that the list is a negative list reflects the position in the member countries. None of the member countries has a positive list. I acknowledge the desirability from the point of view of the consumer of having this type of protection based on a positive list.

Hillery

I ask Parliament to accept what the committee has already accepted, namely, that there are practical difficulties and that it is those practical difficulties, and not any matter of principle, which have determined the Commission's acceptance of a negative list. If the Commission can overcome the practical difficulties—and I cannot find out from the Commission's services the time required for that, but it would be considerable—in having this type of legislation based on a positive list, it will be done.

I ask the rapporteur, to whom we are so indebted, to accept that the Commission does not agree that manufacturers' interests should have priority over the matter of consumer protection.

President. — Thank you, Dr Hillery.

Before proceeding to vote on the motion for a resolution, I propose that we deal first with the various amendments tabled on the proposed directive.

Therefore, we shall now consider the directive and the amendments to it.

On Article 1(1) I have Amendment No. 1, tabled by Mr Noè and Mr Vernaschi, which replaces the amended text by the Commission's original text.

I call Mr Noè to move the amendment.

Mr Noè. — (I) In his speech the Commission's representative expressed a point of view which coincides with that which inspired our amendment to restore the original text of the draft resolution, since we think that a product which protects the skin and the body should not be considered as a pharmaceutical product.

Hence our proposal is designed to restore the Commission's original text.

President. — What is the Commission's position? Would you like to speak now, Dr Hillery, or will you first hear the rapporteur's position?

Dr Hillery, Vice-President of the Commission of the European Communities. — I would prefer to wait.

President. — What is the rapporteur's position?

Mr Walkhoff, deputy rapporteur. — (D) Mr President, ladies and gentlemen, Article 1(1), the original text of which we hope to have restored by Amendment No. 1, defines such substances or preparations as cosmetic products intended for external use on the different parts

of the human body or on the teeth or the mucosa of the oral cavity for the purpose of perfuming, cleaning, caring for them, etc.

The committee felt that the inclusion of the term 'protect' in the definition made the demarcation between cosmetic and pharmaceutical products imprecise or even impossible. In our view, the term 'care' adequately covers all the substances which are applied or rubbed in to protect the skin against external influences. I would therefore ask that the committee's proposal be approved.

This request also applies to the committee's second amendment, that cleaning agents for dentures be included in the Commission proposal since they may affect the human organism through the dentures treated with them. It is therefore reasonable to make them subject to the same requirements as substances used for the cleaning and care of natural teeth. I would therefore request that this amendment be adopted.

President. — I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — This amendment proposes the original text of the Commission. It must therefore be acceptable to us. As I said, we can accept the extension of the directive to cover dentures, but we feel it desirable to retain the word 'protect'.

President. — Thank you.

I put Amendment No. 1 to the vote.

The amendment is adopted.

On Article 5 I have Amendment No. 2, tabled by Mr Noè and Mr Vernaschi, which replaces the amended text by the Commission's original text.

I call Mr Noè to move the amendment.

Mr Noè. — (I) Mr President, this amendment is inspired by the conviction that three years are not long enough to re-examine the substances to be approved. We would therefore like to leave the door open for another three years. This conviction is based on the length of time taken due to the objective presence of many decisional factors affecting this examination. It is only, I repeat, a procedural question.

President. — What is the rapporteur's position?

Mr Walkhoff, deputy rapporteur. — (D) Mr President, ladies and gentlemen, the adoption of

Walkhoff

Amendment No. 2 would, I feel, be contrary to health policy and also the consumer's interests. The Commission's version, which I propose should be returned, would permit the marketing of certain substances and colourants, which have not been proved to be harmless and which may therefore be a danger to public health, for another 3 years. In contrast, the committee hopes that a decision will be reached as early as possible on whether or not substances at present included in cosmetic products but not proved safe should be prohibited. In other words, 3 years should be the maximum. The decision on whether to permit or prohibit the use of these substances must be reached within this time. We do not, however, want to prevent anybody reaching the decision earlier. On the contrary, we would urge everybody to reach it as quickly as possible. And that is, I feel—and this seems to be the concensus of the committee members—a compromise in itself on which it was possible to reach agreement after further-reaching demands had been tabled, a compromise which also takes account of the possibilities open to the cosmetic industry.

In this extremely important question of health and consumer policy I would therefore urge this House not to adopt this amendment.

President. — I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — As I said in my original intervention, the amendments proposed in the report by Mrs Orth are acceptable.

At the same time, we can accept our own original draft, so we are in the happy position of being willing to be guided by Parliament in this.

(Laughter)

President. — Thank you, Dr Hillery.

I put Amendment No. 2 to the vote.

The amendment is adopted.

On Article 6(1) I have Amendment No. 4, tabled by Mr Vernaschi and worded as follows:

'At the end of this paragraph, insert the following:

"as well as the name of the country in which the product was manufactured or packaged."

Since Mr Vernaschi is not here, does anyone wish to speak to this amendment?

I call the deputy rapporteur.

Mr Walkhoff, deputy rapporteur. — *(D)* This amendment is undoubtedly well-meant, but in

my opinion it is superfluous, since Article 6(1) of the Commission's text already provides that the name of the country in which the product was manufactured or packaged should be specified. The Commission asks for the name and address of the manufacturer, packer, importer or distributor in the Community to be stated. It is therefore unnecessary to adopt this amendment. This point is already covered by the Commission's proposal.

President. — What is the Commission's position?

Dr Hillery, Vice-President of the Commission of the European Communities. — I agree with the rapporteur, that is to say I am against the amendment.

President. — I call Mr Noè.

Mr Noè. — *(I)* I would merely like to explain. Sometimes a firm has its main seat in a certain city or town but manufactures products in another city or town. This amendment is intended to clarify such situations by insisting that the origin should be explicitly written on the bottle and product.

President. — I put Amendment No. 4 to the vote.

The amendment is not adopted.

I put to the vote Article 6(1), in the version submitted by the committee.

Article 6(1) is adopted.

On Article 6(3) I have Amendment No. 7 tabled by Mr Rivierez on behalf of the Group of Progressive European Democrats, which replaces the amended text by the Commission's original text.

I call Mr Rivierez to move his amendment.

Mr Rivierez. — *(F)* Mr President, after hearing the rapporteur's explanation, I withdraw the amendment.

President. — The amendment is withdrawn.

On Article 6(4) I have Amendment No. 5, tabled by Mr Vernaschi and worded as follows:

'Article 6(4)

This paragraph should be worded as follows:

"The labels and wrappings of the products mentioned in Article 1, as well as advertisements for such products, shall not show any designations, trade marks, drawings or other figurative or non-figurative signs, which might suggest that the product was endowed with properties or

President

functions that it did not possess, or that it originated in a country other than that in which it was manufactured or packaged.”

I see that Mr Vernaschi is not in the Chamber.

Does anyone wish to speak to the amendment?

I call Mr Kirk on a point of order.

Mr Kirk. — Mr President, surely it is not right, if an amendment is not moved because no one is here to move, it, that we should then proceed to consider it?

I have great respect for, and would like to hear, the views of the rapporteur on a great many matters. However, the amendment has not been moved. Why should he be put to the trouble to deal with an amendment which has not been moved?

President. — I agree. I have been informed that the usual practice of the House is for the rapporteur to state his position on an amendment after it has been moved.

In future, if an amendment is not moved by its author and if there is no one to speak to it on his behalf, we shall not proceed to consider it.

This provision shall be applied with immediate effect to Amendment No. 5.

I put to the vote the whole of Article 6 in its amended form.

Article 6 is adopted.

On Article 9(3) I have Amendment No. 3 tabled by Mr Noè and Mr Vernaschi, which replaces the amended text by the Commission's original text.

I call Mr Noè to move the amendment.

Mr Noè. — (I) This amendment is based on the same logic as the previous ones in that it is also intended to restore the Commission's original text. I have but, therefore, to repeat the considerations already mentioned.

President. — What is the rapporteur's position?

Mr Walkhoff, deputy rapporteur. — (D) As far as the content is concerned, I am unable to accept this amendment. However, since Amendment No. 2 has been adopted, it is logical that those who voted in favour then will vote in favour now, otherwise there would be a contradiction in the text taken as a whole.

President. — What is the Commission's position?

Dr Hillery, Vice-President of the Commission of the European Communities. — I agree with the rapporteur.

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

The amendment is adopted.

I put Article 9 so amended to the vote.

Article 9 so amended is adopted.

On Article 14(2) I have Amendment No. 8 tabled by Mr Rivierez on behalf of the Group of Progressive European Democrats, which replaces the amended text by the Commission's original text.

I call Mr Rivierez to move his amendment.

Mr Rivierez. — (F) Mr President, before moving this amendment, may I also, on behalf of my group, wish Mrs Orth a speedy recovery and join with my colleagues in welcoming her deputy.

The amendment submitted for your adoption consists in restoring Article 14 of the Commission text.

The Commission had made provision, first, for a transitional period of eighteen months as from the date of notification of the directive and, secondly, for a further period of eighteen months, that is, a total of thirty-six months.

With Article 14(2) removed from the text prepared by the Committee on Public Health and the Environment, the transitional period is thus reduced to eighteen months.

I appreciate the concern of the parliamentary committee to reduce the transitional period to eighteen months, knowing full well that its main preoccupation was to protect the health of the consumer, for there is no doubt that the faster things get done in this area, the faster and better the goal will be achieved.

Account must, however, be taken of national contingencies. It is certain that when States receive the directive for enforcement, the procedure provided for in each of these States will be different: in some it will be an order, in others a decree or even a law.

The period necessary for its implementation will vary according to the procedure adopted. It is also certain that States will enforce the directive with varying strictness. The result will be that, in some States, manufacturers will be able to benefit very quickly from conditions allowing the free circulation of their products

Rivierez

within the Community, while in others more time will be needed.

This is why it was wise, I think, to keep the Commission text which takes account of those contingencies I have described as national.

President. — What is the rapporteur's position?

Mr Walkhoff, deputy rapporteur. — (D) In my view there are two reasons why we should not adopt this amendment. First, it could lead to distortions of competition if different countries take advantage of this possibility in different ways up to a period of 36 months. Second, we should as far as possible limit the time for the distribution of goods which do not conform to the regulations, in other words, which are harmful to the consumer. For this reason, the Committee on Public Health and the Environment, in agreement with the Legal Affairs Committee, declares itself in favour of deleting paragraph 2 of the Commission's document, which it is proposed to reinsert. I urge that the amendment be rejected.

President. — What is the Commission's position?

Dr Hillery, Vice-President of the Commission of the European Communities. — We can either accept the amendments in the report or retain the original text. Either way the Commission will be happy.

President. — So both solutions are acceptable to you, either the parliamentary committee's text or the Commission's text, replaced in accordance with the amendment.

Is that correct?

Dr Hillery. — That is correct.

President. — I put Amendment No. 8 to the vote.

Amendment No. 8 is not adopted.

I put Article 14 to the vote.

Article 14 is adopted.

We shall now consider the motion for a resolution itself.

On the preamble and paragraphs 1 to 5 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The preamble and paragraphs 1 to 5 are adopted.

On paragraph 6 I have Amendment No. 6 tabled by Mr Scott-Hopkins on behalf of the European Conservative Group and worded as follows:

'Paragraph 6

This paragraph should be worded as follows:

"6. Strongly supports in the interests of more effective protection of consumers' health, the system of compulsory positive lists hitherto adopted at Community level, and, to apply this system in the field of cosmetic products, calls upon the Commission to submit within the next five years a new proposal which shall provide for a positive list and also the creation of a Community Committee competent to check standards and to issue preliminary permission to manufacture and sell, both of which are essential to guarantee the effective application of this system."

I call Mr Scott-Hopkins to move his amendment.

Mr Scott-Hopkins. — As I said earlier, I have already covered the argument in favour of my amendment. Therefore, I beg to move the amendment formally.

President. — What is the rapporteur's position?

Mr Walkhoff, deputy rapporteur. — (D) I welcome Mr Scott-Hopkins' proposal, since when he mentions this community committee he is endeavouring to clarify a point and to make the system more practicable.

I must, however, ask Mr Scott-Hopkins whether his proposal means that within five years a positive list will be drawn up, applicable to these products, and will then actually be used. Unfortunately the German translation of the proposal could be taken to mean that after five years a further decision would have to be taken on the positive list, on the basis of a Commission proposal. This would, of course, be quite contrary to the idea of the committee. It may be that the translation is misleading in this respect. If Mr Scott-Hopkins means that the preparation of a positive list will begin immediately, and that the list can then be used when five years have elapsed, then this proposal should certainly be adopted.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I agree with what Mr Walkhoff has just said. That is the intention.

President. — I put Amendment No. 6 to the vote.

The amendment is adopted.

On paragraphs 7 to 13 I have no amendments or speakers listed.

President

Does anyone wish to speak?...

I put these texts to the vote.

Paragraphs 7 to 13 are adopted.

Before we vote on the motion as a whole, does anyone else wish to speak?

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

The resolution as a whole is adopted.¹

5. *Participation by the European Communities in the work of the various United Nations organizations*

President. — The next item is a debate on the report drawn up by Mr Ballardini on behalf of the Legal Affairs Committee on the legal aspects of the European Communities' participation in the work of the various UNO organizations (Doc. 57/73).

I call Mr Ballardini, who has asked to present his report.

Mr Ballardini rapporteur. — (I) Mr President, ladies and gentlemen, this resolution and the accompanying report concern an extremely complex and very interesting problem which, however, I think may be reduced to very simple terms.

The problem stems from the fact that Article 228 of the EEC Community Treaty prescribes that, where that Treaty provides for the conclusion of agreements between the Community and one or more States or an international organization, such agreements shall be negotiated by the Commission and concluded by the Council and that agreements concluded under these conditions shall be binding on the institutions of the Community and on Member States. Now, the Treaty includes a number of articles which lay down this procedure, i.e. give the Community institutions the authority to act on behalf of the Member States in establishing agreements with third countries or other organizations.

Article 111 of the Treaty gives the Community institutions this authority over customs tariffs; Article 113 gives Community institutions the same power in the commercial field; in the wide field of trade, there is also Article 238 which yet again gives Community institutions the right to act on behalf of Member States in concluding international association agreements.

But in the recent past there has been an even more important development. Verdict number 22 of 1970 of the European Community's Court of Justice established a principle of great significance (I quoted the text in the written explanation and I will not repeat it) i.e. that this authority to conclude agreements with third countries is given to the Community institutions not only in the cases explicitly provided for in the Treaty, but also in all other fields for which the Community institutions have adopted normative measures valid within the Community.

These strictly legal and terse premises make us aware that the problem under consideration is very significant and that we must reconcile the rules of our Treaties with other rules of the United Nations Organization. In fact, it would follow from these rules that resolutions adopted by, for example, the Council of Europe would have to be ratified by the European Communities and not only by the individual states, as is at present the case. In the opinion of the rapporteur, when such resolutions come under the European Parliament's terms of reference, they ought, indeed, to be submitted to the Community institutions for ratification.

But the problem with which we are dealing today lies in the clash between the rules which I have drawn to your attention and Articles 3 and 4 of the United Nations Charter, since the United Nations Organization often promotes conferences in which these problems (tariffs, trade, aid to developing countries) are discussed, treated, and negotiated and, in general, end with an agreement. In such cases, there arises the problem of reconciling Article 228 of our Treaty, which binds the Community Member States, with Articles 3 and 4 of the United Nations Charter.

In fact, as has been noted, according to these basic articles of the United Nations Charter, only individual states can be members of the United Nations. The United Nations Charter does not provide for, though does not in any way exclude, the participation in the proceedings of the United Nations of any organization which, under international law, differs from the states. This is why the President of the European Parliament instructed the Legal Affairs Committee, assisted by the Commission to discuss this problem at length. It came to the conclusions that you know, embodied in the resolution which it adopted and submitted to Parliament at its plenary session. This resolution essentially states that the apparent contradiction between Article 228 of our Treaty and the United Nations Charter is not insoluble. In fact, the United Nations' Organization need not

¹ OJ No C 62 of 31. 7. 1973.

Ballardini

be asked to consider the Community as eligible for full membership. If this were necessary, there would certainly be an irreconcilable conflict between the two texts but, luckily, it is not. We consider that it should be possible for the United Nations Organization to recognize the Community as such, affording it a status, which, though not the same as full membership, should be enough to enable the Community to carry out the part allotted it in Article 228 of the Treaty.

The feasibility of this solution is based on various legal considerations. The first is that it is not forbidden by the United Nations Charter, and what is not forbidden should be possible. In addition, as I recorded in my written report, there are precedents in which various representative bodies of the Community have been afforded a status intermediate between observer and full member, enabling the Community as such to participate on various occasions in the proceedings of these conferences. However we do not consider that previous arrangements are entirely adequate. This status must be formally recognized, so that the Community's participation in these bodies may be guaranteed without many difficulties or obstacles. During the discussion of this question in the Legal Affairs Committee, some colleagues expressed their fear that other internationally recognized organizations might make the same request as the Community. But we consider that, under present circumstances, this possibility may be ruled out since only the Community has the described characteristics. No other organization of states has them. Besides, the legal office of the United Nations Organization itself has—as our report records—recognized that the individuation of the European Community at present represents a *unicum*, which is not comparable to any other similar organization.

Then, third countries have a real and objective interest in the *de facto*, and formal recognition of the Community since they may wish to contract commitments with the Community, which, according to Article 228 of our Treaty, is the only body in a position to carry out the obligations made towards third countries.

There is a last consideration worth mentioning. In the past, whenever the Community asked to be formally represented at these Assemblies it met with opposition from the Soviet Union. Today, however, things have changed in the United Nations Organization Assembly, in this and other aspects, perhaps because of the influence of the People's Republic of China which, as has been noted, shows remarkable interest in the European Community, or perhaps because

the recent behaviour of the Soviet Union seems to hint that a certain change is also taking place in the Russian attitude towards the European Community.

For these reasons, the Legal Affairs Committee considered that it was a good moment and politically opportune to submit to the United Nations the Community's request to be recognized in that body, not, I repeat, as a full member but under an official status which would enable the Community to respect Article 228 of our Treaty.

These, I should say, are the strictly legal aspects of the problem and naturally do not exhaust the question. The Legal Affairs Committee only expounded the strictly legal aspects of the problem to the European Parliament because such are its terms of reference. We realize perfectly well that, in reality, there are political problems of enormous significance.

The first of these political problems—to which the Legal Affairs Committee has drawn attention—arises from the fact that to obtain recognition of the existence of a Community policy from third countries it is necessary, first of all, that this Community should, in fact, exist. This is the legal aspect which we have discussed which includes the entire political problem of the real existence of the Community. When Member States are, in fact, the first, for various political reasons, to contravene Article 228 of our Treaty, we obviously hardly expect third countries or the United Nations Organization to be more Community-minded than the Member States.

Not long ago, *Le monde* carried an interview with Mr Chou En Lai who, somewhat mischievously, asked the Europeans if they could tell to the world whether the Community was in reality an operative organic, political entity or if third countries, having sent an ambassador to Brussels, also had to send commercial representatives to the capitals of the individual countries.

This is clearly the most important political problem which, naturally, I cannot deal with here but which we must all bear in mind when discussing this specific problem to avoid making an impression of abstractly discussing the legal aspects and ignoring the fact that the problem is political. It would, Mr President, be like discussing the cosmetics and adornments to put on a Community which on many occasions does not seem united...

This said, Mr President, I should like to take the opportunity, in the hope of speeding up our work, to express the committee's and rapporteur's opinion on the amendments submitted.

Ballardini

Amendment No. 1, tabled by our colleagues Mr Dewulf and Mr Giraudo, should be adopted, not as an amendment replacing paragraph No. 7 but as a supplementary amendment. The Political Affairs Committee considered the text of this amendment at a meeting held in Brussels and, on that occasion, I myself suggested to the chairman of the Political Affairs Committee, Mr Giraudo, that this amendment be changed from a replacing amendment to a supplementary amendment. Our colleague Giraudo, who is unable to attend this morning, has authorized me to inform Parliament that the Political Affairs Committee has accepted this suggestion. Therefore, paragraph No. 7 should remain in the text approved by the Legal Affairs Committee but completed by the Dewulf-Giraudo amendment.

I think that Amendment No. 2, tabled by Sir Derek Walker-Smith is acceptable because it formulates, with the precision for which our honourable colleague is well known, a concept and principle which the Legal Affairs Committee had approved.

I am afraid, instead, that I must tell Sir Derek Walker-Smith that we cannot accept his other amendments, Nos. 3, 4 and 5. In the rapporteur's opinion, these amendments cannot be adopted because they bring up points of view which Sir Derek already raised in committee and which were rejected.

The amendments are based on a reasoning exactly contrary to that of the committee. Sir Derek, in fact, intends to put the emphasis on the fact that the main difficulties are of a legal rather than political nature, while the committee takes the opposite view.

In concluding, Mr President, I would like to take the opportunity to declare that the Socialist group has entrusted me with the mandate of communicating its support for the text of the resolution.

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

Sir Derek Walker-Smith. — May I start by thanking Mr Ballardini for his report and presentation. I also thank him for his acceptance of one—but only one—of my amendments and express my regret that he is not able to extend a similar acquiescence and approval to the others.

Although the European Conservative Group is critical of this report in a number of matters, as our amendments show, we nevertheless recognize and salute Mr Ballardini's patient work

and constructive endeavour in what is undoubtedly a very complex as well as important problem. It is a problem with which the Community has lived for a long time, and that no doubt is an argument for seeking a solution urgently now. But it is a still stronger argument that any solution proposed shall be the right one, that any analysis on which a solution is based shall be clear, precise and logical, and that any action recommended shall be constructive, practical and closely related to the analysis of the problem.

I am afraid that these desiderata are not wholly met in the motion for a resolution as drafted, and the amendments which we have tabled are designed to improve the motion in this respect.

As Mr Ballardini said, the problem has both legal and political elements. Like so many problems, it is easy to state but difficult to solve. It arises because in certain respects the Charter of the United Nations and the Treaties of the Community move in parallel and have no common ground or meeting place. That is natural enough in the case of the Charter because the Community did not exist when the Charter was drafted. What consideration the draftsmen of the Treaties gave to this dichotomy I know not, because I was not concerned with these matters at that time.

However, the problem was bound to arise, and it did arise, and so far has been dealt with pragmatically on a basis of *ad hoc* solutions. But these *ad hoc* arrangements are subject to two characteristics, both of a limited and restrictive nature. First, they provide for observer status only—as, for example, in the Food and Agriculture Organization—or they carry something less than observer status, a sort of guest status, as it has been called, as in the International Labour Organisation and the International Monetary Fund. In neither case does the Community possess any voting rights. The second limiting characteristic is that attendance, even on this restricted basis, is by grace and not as of right.

These limitations derive directly and ineluctably from the legal position. Membership of the United Nations and participation in its activities is based on and confined to sovereign states. This is a fundamental concept, as appears quite clearly from Articles 2, 3 and 4 of the Charter of the United Nations. It therefore follows that it is quite wrong to suggest, as Article 6 of the motion for a resolution seems to do, that there is no legal obstacle to Community participation as of right on a full voting basis.

So far from there being no legal obstacle, there is an obvious and fundamental one. Indeed, it appears clearly from paragraph 21 of the explanatory statement in the report, which sets out the

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legal position clearly. The only difficulty is—and this is my first main criticism of the report—that the motion for a resolution does not accurately represent the legal position and, in fact, contradicts the explanatory statement from which it should derive. This defect would be remedied by our group's amendment to Article 4 and the substitution of a new Article 6 of the motion—that is, our amendments Nos. 3 and 4.

My second main criticism refers to the action suggested in the context of the United Nations. Article 7 of Mr Ballardini's motion refers to 'a clear and precise position' on this matter. It is obviously important, therefore, that action suggested should be clear, precise and effective. In fact, the action suggested is imprecise and may well be ineffective.

I make two specific points. Article 7 of the motion for a resolution says that the Commission and Council 'should adopt a clear and precise position on this matter and refer it if necessary to the United Nations Assembly'. There are two imprecisions or inaccuracies in that statement. First, the Council and Commission cannot refer the matter as of right to the United Nations, for the reasons I have already given. They have no member status and therefore can only make a request. Secondly, it is not a matter for the Assembly only.

Paragraph 26 of the explanatory statement oversimplifies the position in respect of the possibilities of the amendment of the United Nations Charter. Paragraph 26 reads:

'But can the appropriate adjustments be made to the UN Charter? This possibility certainly exists, since the Community countries, supported by many Associated States and friendly countries or others entertaining special relations with the Community'

and then follow these words—

'could easily obtain the necessary majority in the UN Assembly',

as if that was the end of the matter. But surely it is not only a matter for the United Nations Assembly.

Article 108 of the Charter is clear:

'Amendments to the present Charter shall come into force for all Members of the United Nations when they have been adopted by a vote of two thirds of the Members of the General Assembly and ratified in accordance with their respective constitutional processes by two thirds of the Members of the United Nations, including all permanent Members of the Security Council.'

Therefore, amendment requires unanimity in respect of the permanent Members of the Security Council, any one of which would have the power of veto.

The right course of action, therefore, is to clarify the legal position first, since, if it be true—as Mr Ballardini's motion tends to suggest—that there are no legal obstacles to participation, it would be unnecessary to seek to amend the Charter. I do not share this view for the reasons I have given, but if this view is held the right course to adopt is to get the doubts resolved authoritatively by the International Court.

Our amended Article 7 of the motion, therefore—this is our amendment No. 5—suggests that the Community should request the United Nations to ask the International Court for an advisory opinion under Article 65 of the Statute of the Court, which is something which the Assembly or the Security Council are entitled to do for themselves under Article 96 of the Charter, whether the Community asks them so to do or not.

I come to my third and last main criticism—more general, but no less important. Of course, there should be appropriate Community representation and participation in matters lying within the Community's sphere of activity. But equally it should be clear that it is not sought to extend it beyond this sphere, and it is not intended to curtail the rights of representation and participation of individual Member States more than absolutely necessary. This is required for the reassurance of Member States and their peoples, to many of whom the words of the second sentence of paragraph 32 of the explanatory statement, though no doubt a correct interpretation of the effects of the treaty, will come as something of an unwelcome surprise. But it is also necessary in the context of the United Nations itself.

It is necessary to make it clear—and I think that Mr Ballardini agrees with this—that participation is sought for the Community as a special case and strictly confined to the matters in which the treaties have, in effect, given it a sovereign status. It is necessary to make it clear that this is not intended as the thin end of a thick wedge, that it is not intended as a precedent for loose associations of states lacking the common structure and common economic arrangements of the Community to seek and obtain rights of participation on general political questions.

If this were to happen it would be very injurious to the United Nations itself, and the possibility that it might happen would incline many Member States of the United Nations against

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allowing Community participation because of their apprehension in regard to the precedent created. If that were to happen, it could only increase the opportunities and the tendencies of the United Nations to depart from the fundamental purposes of its founding fathers and to indulge increasingly in partisan, divisive and ideological controversy. Any such tendency would weaken the authority and damage the image of the United Nations—something which at the present time it can ill afford.

This danger is thought to be guarded against by our amendment to Article 4 of Mr Ballardini's motion and the last words of our amendment to Article 7: 'in order to make appropriate arrangements for Community representation in matters relating to its sphere'. These words have an authoritative, distinguished and encouraging genesis. I take them in substance from the words quoted in page 2 of the explanatory statement: 'the Commission should speak for the Community on all matters relating to the Community sector'. Those words were spoken five years ago by Mr Berkhouwer, the present eminent and respected President of this Parliament.

I had hoped, therefore, that these amendments—not just one of them but all of them—would commend themselves to Mr Ballardini, that he would have commended them to Parliament, and that the Council and the Commission would have been asked to consider the problem in the spirit of what I have said. If he will not change his mind, while not wishing to oppose a motion which at least recognizes the problem and seeks to analyse it, we cannot in all logic and conscience actively accede to or be associated with the motion for a resolution in its unamended and imperfect form, and we would wish to press our amendments to the vote.

President. — I call Mr Brewis.

Mr Brewis. — My Lord President, we have listened to two most impressive speeches on the legal aspects and I do not want to add my voice on this subject. However, as we have here, deputizing for Sir Christopher Soames, Dr Hillery, who had a most distinguished career representing a small country as its foreign minister, including representation at the United Nations, I should like to ask him about one point of principle.

When the United Nations Organization was formed, Russia insisted upon and got three votes. At the moment we have nine votes as a Community at the United Nations. If we tend to harmonize—as we must—in many negotiating matters, would it not be better to arrive at a

common negotiating position on behalf of the Community? It seems that if we want to negotiate as one body we shall end up having only one vote instead of nine. Would not that be a serious disadvantage at the United Nations?

President. — Dr Hillery, would you care to answer that question?

Dr Hillery, Vice-President of the Commission of the European Communities. — Do you wish me to reply to that question or to the report, Mr President? Am I called upon to speak on the whole debate?

President. — I wondered whether you would care to reply.

Dr Hillery, Vice-President of the Commission of the European Communities. — To give a reply on that point?

President. — Yes.

Dr Hillery, Vice-President of the Commission of the European Communities. — I think it would be a highly political decision. In reality Russia commands four votes at the UN, its own and those of the Ukraine, Byelorussia and Outer Mongolia, while other large nations have only one. Obviously to decide what the position of the European Community would be if it were there as a political organism and whether other Member States, in accepting the Community as a member within the definition of the UN Charter would continue to allow it to have nine votes, would be a highly political and contentious question upon which it is not for me to give an opinion.

President. — Thank you Dr Hillery.

Perhaps you would like to speak to the whole item now.

Dr Hillery, Vice-President of the Commission of the European Communities. — Thank you, Mr President. I should like to congratulate Mr Ballardini and the Legal Affairs Committee on the quality of the report. The Commission greatly welcomes it.

It is of capital importance that the Community, which already negotiates as a unit in GATT—we are not a member of GATT as a Community, but we are able to negotiate for the Community's Member States—should also be heard to speak with one voice on a host of matters which fall within the competence of the Community or are closely allied to it. That

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applies not only to formal negotiations, but to all those on-going discussions which may or may not lead to formal negotiations and which have their impact on the way the business of the United Nations and its functional agencies is conducted.

Parliament will recall that Article 229 of the Treaty of Rome expressly entrusts the Commission with ensuring the maintenance of appropriate relations with the organs of the United Nations and of its specialized agencies, as well as with GATT.

Mr Ballardini's report traces the problems involved partly to the unwillingness of certain Member States of the United Nations, but more especially to the unwillingness of the Community's Member States to see their national representation replaced or supplemented by Community representation in the UN. This is a political far more than a legal question. For that reason, the Commission is glad that the Legal Affairs Committee, having set out the legal issues, has brought the matter before Parliament. It is up to the governments of the Member States of the Community to ensure that where there are common Community policies the Community is represented as a Community. I think that the House will support that.

Two points arose during our useful debate. One concerns the time at which the Community may apply for whatever role it may ultimately be able to play in the UN. This is not a matter for decision by us here now. It will be affected by the evolution of events and the attitudes of the governments of our own Member States and of those members of the UN who oppose the participation of the European Community in the United Nations.

Regarding inconsistencies between Articles 3 and 4 of the UN Charter and the Treaty of Rome, I think that, whatever role we may play, we should not now determine that it is necessary for us to have an immediate change in the Charter making it possible for the Community to be there as a nation. I imagine that we could play a very useful part by having a role accorded to the Community through interpretation of the Charter. To seek to change the Charter to make some final perfect position possible, before we have the political will on the part of those who can make the decision whether the Community should sit in the United Nations, would obstruct movement towards a situation where the Community could have a role, as it has in GATT where it can act for the interests of the Member States without being a member of GATT.

I suggest that support for this motion by Parliament would leave flexibility in terms of whether there is a need to change the Charter. I think that we should avoid that. We should seek to find a useful role which could evolve. This may be found through interpretation of the Charter as well as by changing it. We should also leave the timing and seeking of this role from the UN to the evolution of events. In my opinion now is not the time. However, I could not say that the time is far away or how long it will be. I ask Parliament to leave both points open.

President. — Thank you, Dr Hillery.

We shall now consider the motion for a resolution.

On the preamble I have no amendments or speakers listed.

Does anyone wish to speak?

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1 I have Amendment No. 2, tabled by Sir Derek Walker-Smith on behalf of the European Conservative Group and worded as follows:

'Paragraph 1

This paragraph should be worded as follows:

"1. Affirms the principle that the European Community must, within the matters relating to the Community sphere as defined by the Treaties aforesaid, be recognized as a single entity in all international bodies;"

I call Sir Derek Walker-Smith to move his amendment.

Sir Derek Walker-Smith. — My Lord President, I explained the purposes of all the amendments tabled on behalf of our group in the course of my observations in the general discussion. I hope and think that their purposes are clear, and it would perhaps best suit the convenience and economize the time of Parliament if I moved them formally. Therefore, I formally move Amendment No. 2 to paragraph 1, and I understand Mr Ballardini has indicated his acceptance of it.

President. — What is the rapporteur's position?

Mr Ballardini rapporteur. — (I) Mr President, I agree to Amendment No. 2, as I have already stated. As to the other amendments, I must reply to Sir Derek Walker-Smith; however, I must repeat...

President. — Mr Ballardini, do you accept this amendment?

Mr Ballardini rapporteur. — (I) Yes, I accept it.

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

The amendment is adopted.

On paragraphs 2 and 3 I have no amendments or speakers listed.

Does anyone wish to speak?...

I put these paragraphs to the vote.

Paragraphs 2 and 3 are adopted.

On paragraph 4 I have Amendment No. 3, tabled by Sir Derek Walker-Smith on behalf of the European Conservative Group and worded as follows:

'Paragraph 4

The last part of this paragraph, i.e. after the words "United Nations Organization," should be worded as follows:

"the pragmatic arrangements adopted in respect of the specialized agencies of the United Nations cannot be wholly satisfactory because of the inherent inconsistencies between the provisions of the Community Treaties and the United Nations Charter;"

I call Sir Derek Walker-Smith to move his amendment.

Sir Derek Walker-Smith. — I move the amendment formally.

Again, I have explained its purpose already. The amendment, while not contradicting the essence of what is contained in the present paragraph 4, in my view expresses the present position more precisely.

I hope that, on reflection, Mr Ballardini will be able to accept the amendment.

President. — What is the rapporteur's position?

Mr Ballardini rapporteur. — (I) I am sorry to have to repeat that the Legal Affairs Committee has already rejected the contents of this amendment since it does not consider that there exists a contrast or irreconcilable contradiction between the text of our Treaty and the text of the United Nations Charter. Dr Hillery has already replied very well to this point and I refer to the reasons cited by him.

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

The amendment is adopted.

I put paragraph 4 so amended to the vote.

Paragraph 4 so amended is adopted.

On paragraph 5 I have no amendments or speakers listed.

Does anyone wish to speak?

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

On paragraph 6 I have Amendment No. 4 tabled by Sir Derek Walker-Smith on behalf of the European Conservative Group and worded as follows :

'Paragraph 6

This paragraph should be worded as follows:

"6. Recognizes nevertheless that, in spite of the pragmatic arrangements so far introduced, there is a problem to be solved if Community participation is to be based on a legal, appropriate and regular basis, and considers that urgent consideration should now be given to its solution;"

I call Sir Derek Walker-Smith to move his amendment.

Sir Derek Walker-Smith. — Again, I explained the purpose of this amendment to paragraph 1 and I need add no more than a short word in moving it.

Paragraph 6 of the motion for a resolution is clearly unsatisfactory in its present form. It attributes the difficulties of the position wholly to the lack of political will and not at all to obstacles of a legal nature. This is quite inappropriate obviously as my short analysis of the dichotomy and conflicts of the provisions in the Treaties and Charter has made clear.

I hope once again, though with dwindling expectation, that Mr Ballardini will have recourse to the proverbial wisdom of second thoughts and announce his acceptance of the amendment. If not, we must again press it to a vote.

President. — What is the rapporteur's position?

Mr Ballardini, rapporteur. — (I) In view of the present strength of numbers in the Assembly, there is no need for me to change my opinion. Therefore I reassert it.

(Laughter)

President. — I put Amendment No. 4 to the vote.

The amendment is adopted.

President

On paragraph 7 I have two amendments which can be taken together. The first is Amendment No. 5, tabled by Sir Derek Walker-Smith on behalf of the European Conservative Group and worded as follows:

'Paragraph 7

This paragraph should be worded as follows:

"7. Therefore urges the Commission and Council to give the matter this urgent consideration, in the light of the problem analysed in Document 57/73, and requests the United Nations Organization to examine it and, if necessary ask for an advisory Opinion from the International Court of Justice in accordance with Article 65 of the Statute of the Court and to institute such subsequent action as may appear necessary, having regard to that opinion, in order to make appropriate arrangements for Community representation in matters relating to its sphere."

The second is Amendment No. 1, tabled by Mr Dewulf and Mr Giraudo and worded as follows:

'Paragraph 7

This paragraph should be worded as follows:

"8. Invites its appropriate committees and in particular the Political Affairs Committee to continue to look into the various questions arising in connection with the Communities' participation in the activities of the various UNO bodies and to report to it as soon as possible."

I call Sir Derek Walker-Smith to move his amendment.

Sir Derek Walker-Smith. — Again, I explained the purpose and reasons for the amendment in the course of my observations in our general discussion.

Parliament will see that the suggestion for a request for an advisory opinion from the International Court of Justice is qualified by the words 'if necessary'. In other words, we are not seeking to bind the Commission and Council to initiate a request for an advisory opinion at this moment. I believe that meets Dr Hillery's point as to the timing of the matter. Nevertheless, it is a course of action which should be borne in mind, and it may well be a logical course of action to be taken in due time.

The paragraph goes on to request the institution of such subsequent action as may appear necessary, having regard to that opinion, in order to make appropriate arrangements for Community representation in matters relating to its sphere. I have indicated the reasons for the qualifying words 'in matters relating to its sphere'.

I hope I made the position clear in that regard and the importance of those words in the context both of the position of the Member States

and their own individual rights of participation and in the context of the proceedings of the United Nations itself.

President. — I call Mr Giraudo to move Amendment No. 1.

Mr Ballardini, rapporteur. — (I) I move Mr Giraudo's amendment, as I said in my introductory speech, as a supplement rather than a replacement of the present text.

As to Amendment No. 5, moved by Sir Derek Walker-Smith, I think that it has the defect of tending to restrict the means available to the Commission or Council of Ministers to arrive at the end on which we all agree. I prefer the text adopted by the Legal Affairs Committee because its generality leaves open the possibility of choosing the most suitable forms. Dr Hillery has already explained that there are many ways of arriving at the same result.

Therefore, I beg Sir Derek Walker-Smith not to insist on putting this amendment to the vote because it limits the possibilities of future action.

President. — Sir Derek, are you maintaining your amendment?

Sir Derek Walker-Smith. — Yes, if you please — not out of a desire not to accommodate Mr Ballardini but simply because I do not accept that the wording of the article as I have rephrased it imposes a restriction or limitation. On the contrary, I think it is an enlarging amendment and one which has the merit of bringing it clearly into rapport with the situation as existing both in law and in fact. I must adhere to the amendment and hope that Parliament in its wisdom will accept it.

President. — Does Dr Hillery wish to comment?

Dr Hillery, Vice-President of the Commission of the European Communities. — Mr Giraudo's amendment at first appealed to me. While Sir Derek Walker-Smith was speaking, his amendment struck me as having rigidity, but he used the words 'in due time,' and if those words found their way into the amendment I too should find it acceptable.

President. — Would you agree, Sir Derek, to insert the words 'in due time'?

Sir Derek Walker-Smith. — There is no difficulty about that. Looking at the English text, it is simply a matter of adding, in line 4, after

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the words 'if necessary', the words 'in due time'. I am perfectly happy with the Commissioner's amendment to my amendment. If those words can be incorporated, perhaps we can vote for the acceptance of that amendment with those added words. I thank the Commissioner for his helpful and constructive suggestion.

Dr Hillery. — Could the words be inserted in the third line after the words 'and'?

President. — In other words, 'in due time requests the United Nations Organization'. Do you agree, Sir Derek?

Sir Derek Walker-Smith. — I am reading it to make sure. I am sure that anything emanating from Dr Hillery makes both good sense and good grammar, but, with the proverbial caution of the lawyer, may I check to see that there is no exception to that general rule in this case? Having read it, I am very happy with Dr Hillery's proposal, and may I renew my thanks to him for his assistance.

President. — The author of Amendment No. 5 has agreed that it should now read as follows:

'7. Therefore urges the Commission and the Council to give the matter this urgent consideration, in the light of the problem analysed in Document 57/73, and in due time requests the United Nations Organization to examine it and, if necessary ask for an advisory Opinion from the International Court of Justice in accordance with Article 65 of the Statute of the Court and to institute such subsequent action as may appear necessary, having regard to that opinion, in order to make appropriate arrangements for Community representation in matters relating to its sphere.'

I put Amendment No. 5, as modified, to the vote.

Amendment No. 5, as modified, is adopted.

As regards Amendment No. 1, the rapporteur has suggested that it should be added as a new paragraph.

Is that correct, Mr Ballardini?

Mr Ballardini, rapporteur. — (I) Yes, Mr President.

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

Amendment No. 1 is adopted.

On paragraph 8 I have no amendments or speakers listed.

Does anyone wish to speak?...

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

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

The resolution as a whole is adopted.¹

6. *Regulations on Community tariff quotas on certain mountain breeds of cattle*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr De Koning on behalf of the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council for

1. a regulation opening, allocating and providing for the administration of the Community tariff quota for 30 000 live heifers and cows of certain mountain breeds falling within heading ex. 01.02 A II b (2) of the Common Customs Tariff
2. a regulation opening, allocating and providing for the administration of the Community tariff quota for 5 000 live bulls, cows and heifers of certain mountain breeds falling within heading ex. 01.02 A II b (2) of the Common Customs Tariff (Doc. 121/73)

I have no speakers listed.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

Does anyone wish to speak?

7. *Regulation on wine imports from Algeria, Morocco, Tunisia and Turkey*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Vals on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation extending for the second time the period of validity of Regulations (EEC) Nos. 2313/71 and 2823/71, on the temporary partial suspension of the common customs tariff duties on wine originating in and coming from Algeria, Morocco, Tunisia and Turkey (Doc. 136/73).

I have no speakers listed.

¹ OJ C 62 of 31. 7. 1973.

President

Does anyone wish to speak?...

I put the motion for a resolution to the vote.

The resolution is adopted.¹

8. Date and place of next sittings

President. — There are no other items on the agenda.

The enlarged Bureau proposes that our next sittings be held in Luxembourg during the third week in September.

However, in view of the amount and importance of the business on the agenda, it proposes that the part-session should commence on Tuesday, 18 September instead of Wednesday, 19 September, as originally planned, and end on Thursday, 20 September.

It is, however, possible that the enlarged bureau will be asked to postpone the part-session until 25 - 27 September. That will be considered by the Bureau at its meeting next week.

Pursuant to the Rules of Procedure, the Bureau will take a decision on this and notify all Members accordingly. To sum up, the September part-session might be postponed by one week, but all Members would of course be notified of this.

Are there any objections?

I call Mr James Hill.

Mr James Hill. — On a point of order. Are you giving us this information, Mr President, so that we may make a statement now, or are you simply giving us a statement? Changing dates like this is most inconvenient. My committee is meeting on those dates and we can see no way in which we could make a change of this nature.

President. — But is not your committee meeting in Luxembourg?

Is it really so strange to propose a postponement? Or would the House prefer to stick to the original date?

I call Mr Schwabe.

Mr Schwabe. — (D) Mr President, this is a very important announcement, and I should like to ask why the date is being changed, because our decision will depend on whether we understand

why the date must be altered. If there are compelling reasons, we shall all be convinced.

If, however, you are not yet able to state the reason, then we shall also have to accept this.

President. — As I understand it, the reason concerns the work of the Committee on Budgets. It is felt that it might be more convenient to have a later meeting. But I must abide by the wish of the House.

I call Mr Kirk.

Mr Kirk. — Perhaps I might add a word of explanation. The problem is simple. In order to achieve the setting up of budgetary arrangements which we need for the budget for 1975 —when we hope to gain the control we feel necessary—it is essential for Parliament at its next session to take a final decision on these proposals. In the light of the decision taken by Parliament yesterday morning, we have discussed with the Commission the timetable for preparing final proposals for Parliament. It will mean that a number of Members and the staff will in any case have to work during the Parliamentary recess if Parliament is to have time to consider the papers adequately. This is probably the most important decision that Parliament will have to take and the most important it has had to take for a long time. It may be necessary to request the postponement of the September Part-session by a week. This is not meant to cause inconvenience. On the contrary, it is meant to ensure that every Member of Parliament can study the implications of one of the most important decisions we shall take.

President. — Do you accept that, Mr Hill?

Mr James Hill. — No, I certainly do not. It is always possible to give a multitude of reasons. But we are constantly under pressure in committee to bring our work forward to meet the plenary sitting and I see no reason why there should be any exception, no matter how important the cause, or why any committee should take priority. My committee on regional policy has laid down a fixed programme to the end of the year, and we should like to keep to it.

President. — I call Mr Kirk.

Mr Kirk. — Everybody would like to keep to a fixed programme. I would remind Mr Hill that the Bureau agreed to take an exceptional item from his committee in order that he could have a debate on regional policy this session. Had we adhered to the rules he could not have had that

¹ OJ C 62 of 31. 7. 1973.

Kirk

debate. All we are asking from him is the same charity as we have shown him.

President. — I call Mr John Hill.

Mr John Hill. — Will you take into the balance of factors against the move of date the fact that the Committee on Agriculture has special reasons in respect of a meeting in the Hague on Wednesday and Thursday, 26-27 September? It has arranged to meet. The Committee on Cultural Affairs and Youth is meeting at Brussels on Monday 24.

If this change in the date of the plenary session is to be made, will a decision be taken early so that the chairmen of those committees have a chance of altering their special arrangements, particularly in respect of the meeting on agriculture at the Hague?

President. — I call Mr Kirk.

Mr Kirk. — I feel that the Bureau will have to decide this matter.

President. — We must leave it to the Bureau to decide. We cannot decide it.

I call Mr James Hill.

Mr James Hill. — I appreciate the point made by Mr Kirk about the Delmotte report, but we did not alter the date of the plenary sitting. We asked for the Bureau to consider the ten-day rule, which is quite different.

President. — To conclude, this decision will be taken by the Bureau in London next week. Members will be informed immediately whether or not the date of the part-session is to be changed.

9 Approval of minutes

President. — Rule 17(2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

10. Adjournment of session

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 12.05 p.m.)