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NOTE TO READER

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

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IN THE CHAIR: MR BERKHOUWER

(The sitting was opened at 5.55 p.m.)

President. — The sitting is open.

1. *Resumption of session*

President. — I declare resumed the session of the European Parliament adjourned on 5 April 1974.

2. *Apologies for absence*

President. — Apologies for absence have been received from Mr Schulz and Mr Muller, and from Mr Seefeld, who will be absent from Tuesday onwards.

3. *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:

- Agreement between the European Economic Community and the Republic of Bolivia on the supply of common wheat as food aid;
- Trade Agreement between the European Economic Community and the Federal Republic of Brazil;
- Minutes of the notification of the completion of the procedures necessary for the entry into force of several Agreements between the European Economic Community and the Republic of India;
- Notice of the completion by the Community of the procedures necessary for the entry into force of the Commercial Cooperation Agreement between the European Economic Community and the Republic of India.

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

4. *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 Memorandum from the Commission of the European Communities to the Council on education in the European Community (Doc. 23/74-Annex).

This document has been referred to the Committee on Cultural Affairs and Youth;

- the Communication from the Commission of the European Communities to the Council on the problems of the pulp, paper and paperboard industry (Doc. 48/74).

This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Public Health and the Environment, the Committee on Social Affairs and Employment and the Committee on External Economic Relations for their opinions;

- the proposal from the Commission of the European Communities to the Council for a second directive on taxes other than turnover taxes which affect the consumption of manufactured tobacco (Doc. 49/74).

This document has been referred to the Committee on Budgets as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on Agriculture for their opinions;

- the proposal from the Commission of the European Communities to the Council for a third directive on taxes other than turnover taxes affecting the consumption of manufactured tobacco (Doc. 50/74).

This document has been referred to the Committee on Budgets as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on Agriculture for their opinions;

(b) from the committees, the following reports:

- report by Mr Horst Seefeld on behalf of the Committee on Cultural Affairs and Youth on the Memorandum from the Commission of the European Communities to the Council (Doc. 112/73) on measures to be taken in application of point 16 of the Hague Communiqué;
- Recommendation for a decision setting up a Committee for Youth Questions
- Recommendation for a decision setting up a Youth Advisory Committee (Doc. 41/74);
- report by Mr Gerd Springorum on behalf of the Committee on Energy,

President

- Research and Technology, on the Communication from the Commission of the European Communities to the Council (Doc. 386/73) on the implementation of the 'guidelines and priority measures for a Community energy policy' (Doc. 42/74);
- report by Mr Norbert Hougardy on behalf of the Committee on Cultural Affairs and Youth on the proposal from the Commission of the European Communities to the Council (Doc. 23/74) for a resolution on guidelines for the mutual recognition of diplomas, certificates and other evidence of formal qualifications by virtue of Article 57 of the EEC Treaty (Doc. 43/74);
 - report by Mr Michael Herbert on behalf of the Committee on Regional Policy and Transport on the proposals from the Commission of the European Communities to the Council for four directives concerning the approximation of the laws of the Member States relating to:
 1. the installation of lighting and light signalling devices on motor vehicles and trailers (Doc. 332/73)
 2. fog lights for motor vehicles (Doc. 333/73)
 3. the external projections of motor vehicles (Doc. 341/73)
 4. reflex reflecting devices for motor vehicles and their trailers (Doc. 348/73)
 (Doc. 44/74);
 - third report by Mr Michael Herbert on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council (Doc. 161/72-I) for a directive concerning the harmonization of the laws relating to vehicle driving licences (Doc. 45/74);
 - report by Mr Linus Memmel on behalf of the Legal Affairs Committee on the proposal from the Commission of the European Communities to the Council (Doc. 203/73) for a regulation establishing a procedure of consolidation (Doc. 46/74);
 - report by Mr Hervé Laudrin on behalf of the Committee on Social Affairs and Employment on the proposal from the Commission of the European Communities to the Council (Doc. 302/73) for a recommendation addressed to the Member States regarding the application of the principle of the 40-hour week and four weeks' annual paid holidays (Doc. 47/74);
 - report by Lady Elles on behalf of the Committee on Social Affairs and Employment on the report from the Commission of the European Communities on the development of the social situation in the Community in 1973 (Doc. 2/74) - (Doc. 51/74);
 - report by Mr Klaus-Peter Schulz on behalf of the Committee on Cultural Affairs and Youth on the Memorandum from the Commission of the European Communities to the Council (Doc. 23/74-Annex) on education in the European Community (Doc. 52/74);
 - report by Lady Elles on behalf of the Committee on Cultural Affairs and Youth on the motion for a resolution submitted by Mr Premoli on behalf of the Liberal and Allies Group (Doc. 73/73) on the protection of the European cultural heritage (Doc. 54/74);
- (c) Oral Questions from Lord O'Hagan, Mr Brewis, Sir Tufton Beamish, Mr Noè, Mr Bousch, Mr Laban, Mr Seefeld, Mr Fellermaier and Mr Flämig, pursuant to Rule 47A of the Rules of Procedure, for Question Time on 24 April 1974 (Doc. 53/74).

5. Reference to committee

President. — The communication from the Commission of the European Communities to the Council on multinational undertakings and Community regulations (Doc. 261/73), referred on 10 December 1973 to the Committee on Economic and Monetary Affairs as the committee responsible, has now also been referred to the Committee on Social Affairs and Employment for an opinion on the socio-political aspects, and to the Committee on Development and Cooperation for an opinion on the conditions governing the establishment of multinational undertakings in developing countries.

6. Decision on urgent procedure

President. — I propose that reports not submitted within the time limits laid down in the ruling of 11 May 1967 should be dealt with by urgent procedure.

Are there any objections?

That is decided.

7. Order of business

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

On the instructions of the enlarged Bureau on 2 April 1974 an agenda had been drawn up and distributed.

However, there have been some changes since then and, furthermore, the Chairmen of the groups have requested that this part-session should end on Thursday. I therefore propose the following agenda:

This evening:

- third report by Mr Herbert on vehicle driving licences;
- report by Mr Herbert on four directives concerning the approximation of laws relating to motor vehicles;
- Oral Question, with debate, put by Mr Lagorce on behalf of the Socialist Group to the Commission of the European Communities on the re-utilization of waste.

I call Lord Mansfield.

Lord Mansfield. — Mr President, I have a request on behalf of the European Conservative Group, concerning the report by Mr Herbert relating to vehicle driving licences, No 43 on the agenda. My request is that this report and its consideration should be postponed until Wednesday or Thursday.

I have two reasons. First, as you will see, the report is dated 22 April—that is today. Because of the Easter holiday it has not proved possible to consider any amendments which may be put on behalf of the groups or of individuals, not even table them and have them translated. This is a matter which, in a report as important as this, should be considered.

The second reason is that the Chairman of the Regional Committee which deals with transport, Mr James Hill, is unavoidably detained in Southampton today. That is, of course, a port town, and I am instructed that he is detained there on what I might call Community business. This report is a difficult document in many ways. It is highly technical and there are various legal considerations. I think everybody on the committee will agree that Mr Hill has paid particular attention to all the ramifications in the report, and in a matter so important as this I submit that it is only right that he should be here when it is debated.

Except for the vexed question of regional policy, this report has probably taken up more time than any other matter which has been considered in the last few months. Therefore, I suggest that in fairness and in logic, and out of courtesy to Mr Hill, we should wait until he can be here. I understand that he is coming here tomorrow, so that he will be available for this matter to be ventilated either on Wednesday or on Thursday. I understand that the rapporteur Mr Herbert, agrees with this request.

President. — I call Mr Jahn on behalf of the Committee on Public Health and the Environment.

Mr Jahn. — (D) Mr President, ladies and gentlemen, on the instructions of the Committee on Public Health and the Environment I had written to the Bureau asking if the report on the four directives concerning motor vehicles on today's agenda could be postponed, since our committee had not been asked for its opinion. Since then I have learnt from the Chairman of my group that it cannot be postponed till the May part-session. While I must reluctantly agree to that, I should like to request that in future the Committee on Public Health and the Environment should be consulted on matters concerning health as the Committee on Social Affairs used to be. Then we shall not find ourselves having to make decisions on questions on which one of the committees most concerned has not been asked to give an opinion.

President. — I call Mr Fellermaier:

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, I wish to make two remarks.

The first is this: Mr Jahn, when I see that we are talking about, say, directives concerning the approximation of the laws 'relating to reflex reflecting devices for motor vehicles' or 'the external projections of motor vehicles', I begin to wonder whether it is right to bother the House with the question of whether this or that committee should be allowed to give an opinion.

My second point: isn't it rather strange to have had two different statements from the same group in the space of half an hour? We were first given to understand that Mr Kirk had agreed to a compromise procedure in the Bureau. Now Lord Mansfield is asking us, as he says, on behalf of his group, to postpone consideration of the resolution. I should like to say three things.

Firstly, Parliament cannot postpone consideration of a report because a committee chairman

Fellermaier

is not present. There are still enough members of the committee present in the House who are equally qualified in the matter. I do not think the members of a committee should be considered less qualified than their chairman to deal with such a report as this.

Secondly, the agenda was printed on 9 April. It was clear to everyone, then, that this question of driving licences, which is certainly an important subject for harmonization, was due to be discussed to day.

Thirdly, I suggest that we could meet the wishes of Lord Mansfield's colleagues by dealing with the report today and voting on Wednesday. This is the most we can concede, for I do feel we must hold the debate today.

President. — Honourable Members, before giving the floor to Mr Kirk, I should, in all modesty, like to make some remarks.

First, I wonder what we are coming to, when—with society shaking to its foundations about us—we European Parliamentarians spend our time discussing the external projections of motor vehicles or reflecting devices for trailers. Aren't there more important things? Do we have to go on talking like this? Do we really need to discuss the agenda at length when I have agreed with the group chairmen's suggestions? I would ask the members of the groups to have more faith in their chairmen.

Must we postpone a debate because the chairman of a committee, even of the committee responsible, is absent? While I appreciate Mr Fellermaier's suggestion to put off the voting till Wednesday, I would point out that that will cause just the sort of confusion we wanted to avoid. Everyone would then wish to give an explanation of vote. The whole of Wednesday's agenda, which we have drawn up with such care, would be upset. I therefore urge the House to accept the agenda suggested. Otherwise there will be nothing left for us to deal with this evening.

I call Mr Kirk, Chairman of the European Conservative Group.

Mr Kirk. — My friend Lord Mansfield, no doubt by a slip of the tongue, said that he was speaking on behalf of the European Conservative Group. In fact, he was speaking on his own behalf. No doubt he was speaking also on behalf of one or two of his friends in the Group, but the Group has no formal position on this matter.

However, there is a valid point, in his first point at any rate—that this document was to hand only today. You will recall, Mr President, that,

in the meeting of the Chairmen of the political groups, I raised the question of whether amendments had been tabled, and was assured that none had. But the reason was obvious—none could have been tabled because of the delay in producing the document. It is a very complicated document, to which, no doubt, Members may wish to table amendments.

In these circumstances, Mr Fellermaier's proposal has a great deal to commend it, that time should be allowed for amendments to be tabled.

President. — The discussion seems to be continuing. Mr Kirk's words suggest he is in favour of postponing the report.

I call Mr Lücker.

Mr Lücker, Chairman of the Christian-Democratic Group. — (D) Mr President, allow me to make two remarks. Firstly, the House has frequently adopted reports such as this one in far more difficult circumstances, even when the chairman of the committee responsible could not be present.

Secondly, what Mr Kirk says is quite correct: Mr Herbert's first report is dated 22 April, that is, today. However, it was adopted unanimously in committee on 10 April. So I have not seen any amendments either. It should be possible for a report which has been unanimously adopted to be debated and dealt with in this House on the day indicated in the agenda.

(Applause from various quarters)

Mr Herbert's other report is also dated 22 April, but it has been adopted virtually unanimously, with only two abstentions.

I really hardly think it necessary to postpone these reports to the May part-session, when we shall have quite enough on the agenda anyway. I would therefore ask the House, Mr President, to agree to the agenda you have proposed for this evening.

(Applause from various quarters)

President. — Mr Lücker is in favour of the proposal agreed by the group chairmen. I therefore put to the vote the motion that the agenda proposed for today be adopted.

Are there any objections?

The agenda for today, Monday, is adopted.

We shall proceed to the agenda for Tuesday, 23 April 1974.

Consideration of Mr Seefeld's report on the setting up of a Committee for Youth Questions and

President

a Youth Advisory Committee is postponed until the May part-session, to enable the Committee on Budgets to draft an opinion.

At the request of the Committee on Budgets, Mr Pounder's report on the draft supplementary budget No 1 for 1974 will be dealt with during the May part-session.

The agenda is therefore as follows:

11.00 a.m.

Meeting of the enlarged Bureau.

2.0 p.m.

- Second report by Mr Noè on the creation of European uranium capacities;
- Report by Mr Springorum on energy policy measures;
- Report by Mr Hougardy on the mutual recognition of diplomas;
- Report by Mr Schulz on education in the Community;
- Report by Mr Memmel on a procedure of consolidation.

I call Mr Petersen.

Mr Helveg Petersen. — Would it be in order to take items 47 and 48 first tomorrow, because some of us are counting on that? You said, Mr President, that you would be taking the Noè report and the Schulz report first.

President. — Does the House agree with Mr Petersen's proposal? I call Mr Dalsager.

Mr Dalsager. — (DK) Mr President, may I ask you to give the numbers of the reports. On our copies of the agenda the names of the rapporteurs are not given, only the name of the committees responsible, so we cannot follow what you are saying.

President. — Mr Dalsager, the names of the rapporteurs are missing on your agenda because we were not informed of their identity at the time.

I presume the House agrees with Mr Petersen's proposal to take the reports in the following order:

- Mr Hougardy's report
- Mr Schulz' report
- Mr Noè's report

— Mr Springorum's report

— Mr Memmel's report.

Are there any objections?

That is agreed.

The week's agenda will continue as follows:

Wednesday, 24 April 1974

10.30 a.m. and 3.00 p.m.:

- Question Time;
- Joint debate on:
 - Oral Question to the Commission on the present state of the Community,
 - Oral Question to the Commission on the Commission's role as guardian of the EEC Treaty,
 - Oral Question to the Council on improper procedure in deliberations;
- Report by Mr John Hill on aid for sea fishing;
- Report by Mr Dunne on fishery products from Norway;
- Report by Mr Martens on the common organization of the market in sugar;
- Oral Question with debate to the Commission on the Guidance Section of the EAGGF;
- Oral Question with debate to the Commission on increased agricultural prices.

Thursday, 25 April 1974

10.30 a.m. and 3.00 p.m.:

- Report by Lady Elles on the social situation in the Community in 1973;
- Report by Mr Härzschel on equal pay for men and women;
- Report by Miss Lulling on the activities of the new European Social Fund;
- Report by Mr Laudrin on the 40-hour week;
- Report by Mr Aigner on the annual accounts of the European Parliament for 1973;
- Report by Mr Della Briotta on medicinal products; this report will be dealt with by simplified consultation procedure.

Are there any comments?

I call Mr Härzschel.

Mr Hârzschel. — (D) Mr President, I should just like to point out that with this agenda I shall not be able to present my report myself, because the members of the Bundestag have to be in Bonn for an important vote. I am sorry about this; I should have liked to present it myself.

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, I am afraid I shall also have to be in Bonn on Thursday. I had thought the Chairman of the Committee on Budgets could present my report, but now I hear he will not be here either. Perhaps it could be postponed to next part-session.

President. — Mr Aigner, I naturally understand your wish, but there will always be something going on in one or other of the nine countries which may prevent Members from attending our debates. This is inevitable in such a Parliament as ours. I still think we should adopt the agenda proposed. If we postpone these questions to next part-session, someone else will be absent then. In this way we would practically never get anything done.

I call Mr Lûcker.

Mr Lûcker. — (D) Mr President, may I remind you of what we decided over half an hour ago. We had intended dealing with Mr Aigner's report tomorrow evening if it is available and distributed by then.

President. — The problem is that it will only be ready tomorrow for adoption.

Mr Lûcker. — (D) Then we cannot deal with it.

President. — I call Mr Aigner.

Mr Aigner. — (D) Mr President, I shall try to find a deputy rapporteur.

President. — Thank you, Mr Aigner.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I have a very brief question to put to you, Mr President. We have gone through the agenda and it has been virtually decided. I should be grateful if you could tell me and the House what has happened between the time that the original agenda was published—ten days ago—and now that has made you agree with these gentlemen of the political groups and turn completely upside down our agenda for this week. I should like to know what has happened.

President. — The main reason for the changes which we have been discussing since 5.55 p.m. is that the chairmen of the groups had asked for everything possible to be done to avoid a Friday sitting. We have therefore had to divide Friday's agenda over the rest of the part-session.

Another reason is that a number of rapporteurs are absent, while one of the committee chairmen wanted to be present today, but has had to attend an important meeting in Southampton. That was a further reason for changing the agenda.

I hope this answers your question, Mr Scott-Hopkins.

The Agenda for this sitting is therefore definitively agreed.

8. Allocation of speaking time

President. — In accordance with the procedure followed in previous part-sessions, and Rule 4 of the Rules of Procedure, I propose to allocate speaking time as follows for all reports:

- fifteen minutes for the rapporteur and the spokesmen of the political groups;
- ten minutes for other speakers;
- five minutes for speakers on amendments.

I propose to allocate speaking time as follows for the oral questions with debate, except in the case of the three to be dealt with jointly on Wednesday:

- ten minutes for the questioners;
- five minutes for other speakers.

Are there any objections?

That is agreed.

With regard to the main political debate on Wednesday, some flexibility will be allowed over speaking time.

9. Directive on laws relating to vehicle driving licences

President. — The next item is the third report drawn up by Mr Herbert on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a directive concerning the harmonization of the laws relating to vehicle driving licences (Doc. 45/74).

I call Mr Herbert to present his report.

Mr Herbert, rapporteur. — At the outset let me say that I am in complete sympathy with Lord Mansfield, who wanted this report deferred. He states correctly that the report was circulated only this morning, giving little time for the submission of amendments. As rapporteur I should hate to put in this report against the wishes of Parliament. I am also sorry that Mr Hill is not present to speak to the report because I know from my experience as rapporteur that he was the co-author of 45 amendments to the report, and that he has worked very hard in the committee over the past few months. It is unfortunate that he is not present.

However, Parliament has decided that the report must be introduced, so I shall now introduce it. In doing so I should perhaps outline the history of the Parliament's deliberations on this proposed directive on the harmonization of the laws relating to vehicle driving licences.

It is now as long ago as October 1972 that Parliament was requested to deliver an opinion on this proposal. That was long before the enlargement of the Community. The directive was referred to the then Transport Committee, and in April 1973 the directive was considered by the new Committee on Regional Policy and Transport. That committee approved a report in April of last year, but because of linguistic difficulties following the enlargement of the Community, Parliament agreed to refer the directive back to the Regional Policy and Transport Committee in May of last year.

Now, a year later, the committee has completed its re-examination of the directive, and I think I can say that this delay has been caused by the large number of amendments that we have received and the extremely painstaking way in which the whole directive and, indeed, the philosophy behind it have been re-examined.

The document that you are being asked to consider today contains a great number of amendments to the Commission's proposed directive, but in many cases these are amendments to amendments made in the Committee's previous report—the Bousquet Report (Doc. 40/73). In order fully to understand the nature and extent of the re-examination carried out by the committee in the present report, it is necessary to look not only at the Commission's proposal but at Mr Bousquet's report. A large number of amendments proposed now concern details of dates which the passage of time has made meaningless. I do not think there is any need for me to comment upon them. In my opinion the significant amendments which we have made are those which remove from the

directive the specific requirements concerning the practical, theoretical and medical examinations and the frequency of medical examinations, replacing them by a provision that all these detailed matters should be the subject of further directives after the Commission has had an opportunity of consulting the appropriate national and international bodies.

Such consultation will involve the World Health Organization and the Economic Commission for Europe.

We did not think that it was appropriate for either the Parliament or the Commission to go into these highly technical matters until the greatest possible degree of consultation with those most able to advise had taken place. This does not mean that Parliament has lost the opportunity of pronouncing on these matters since, as I have already said, they will be the subject of further directives.

The committee also felt that the provisions concerning the novice drivers should be deleted from the present directive and form the subject matter of a further directive which would cover both novice and learner drivers. We also felt fairly strongly that the mere harmonization involved in the issue of a standard European driving licence was not in itself enough and that it was essential that there should be common standards at the basic level of instruction so that the uniform licence would be based on a genuinely uniform structure of tuition.

Finally, I wish to pay two warm tributes, the first to our Chairman, Mr Hill, who was faced with the difficult task of chairing our discussions whilst at the same time moving very important amendments. I know the Committee will agree with me when I say that Mr Hill in keeping his dual functions separate was very fair and very impartial.

The second tribute is to the Commission and its officials who were most helpful and cooperated to a very large extent indeed. They frequently went a great way towards meeting us when the differences between our approach and theirs sometimes seemed irreconcilable.

I hope Parliament will approve this report since I think that if it goes forward with the amendments we have suggested, the directive will play a real part not only in the removal of obstacles to the free movement of persons and freedom of establishment in the transport sphere, but also in road safety in general.

(Applause)

President. — I call Mr Mursch.

Mr Mursch. — (D) Mr President, on behalf of the Christian-Democratic Group, I can announce our almost unanimous support for Mr Herbert's report and motion for a resolution. The group has been guided by the following considerations:

First, we believe that, while Europe could doubtless survive without a European driving licence, it will be of immense psychological value if over a hundred million Europeans can receive a personal European document, a European driving licence, and have the feeling, for the first time, that they are Europeans. That is the psychological aspect.

Even more significant, of course, is the practical consideration: first and foremost, the question of what can be done to promote road safety. First, there is improving or extending the infrastructure: but this is not what we are discussing today. The second is improving the vehicles—I am reminded of the commercial slogan 'Safety-car'—but we are not concerned with this either, just now; a resolution has already been submitted on that. The proposal for a directive we are considering today is concerned with the person, the driver, and with trying to create the best possible psychological and physical conditions for him. This is the main point.

The statistical evidence, though open to various interpretations, seems to indicate that 83% of road accidents are caused by human error and only 17% by faults in the infrastructure or vehicles. Opinions may differ on individual figures, but it is indisputable that the vast majority of accidents are attributable to the human factor.

For this reason, the proposal for a directive is designed to harmonize the different laws concerning driving licences—to achieve the highest standard possible within practical limits.

Secondly, the uniform procedure recommended here is intended to contribute to harmonizing of competition within the Community. I cannot go into all the details contained in the proposal, Mr President, I can only support the remarks made by Mr Herbert and his excellent work. Every effort was made in committee to reach a compromise in face of the large number of amendments tabled by our British colleagues.

Personally, I disagree with many points in the directive. It is difficult for members of the Parliament to abandon their cherished national positions on these questions, but I believe we are each in duty bound to concede something in order to reach a compromise and a common solution. A common solution is more important than any cherished national habits. I believe, therefore, that we should now agree to support this proposal for a directive.

Mr President, on many points it was extremely difficult for us to come to an agreement. I might just mention one— as many others would wish to—that is, the question of the minimum age for drivers.

In two countries of the Community, the minimum age for obtaining a driving licence for cars is 17: in all others, it is 18. It is, of course, difficult, for the countries which have the age limit of 17 to switch over to 18.

There is also a factual argument. There is no statistical evidence to show that seventeen-year-olds are more often involved in accidents than eighteen-year-olds. I am glad that my own proposal was accepted by the Committee, that we should generally keep to the limit of 18 years, but that the two countries which have permitted driving at 17 will be allowed to keep to this, while, over the next five years, the Commission is asked to carry out a careful statistical survey to discover whether or not the seventeen-year-olds are more often involved in accidents. At the end of the five years, a definitive decision will be taken.

This, Mr President, is a typical example of the committee's efforts to reach a fair compromise and I think it has succeeded here, thanks to the rapporteur's great efforts, patience and expertise. I wish, therefore, to recommend that the House agree to the proposal. The Christian-Democratic Group will certainly do so.

(Applause)

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

Mr Eisma. — (NL) Mr President, I too shall be brief, for it is not possible to discuss in a plenary sitting all the technical details of this proposal, let alone the compromise which the proposal represents.

As a result above all of the amendments submitted by Mr Pounder, Mr Mursch and Lord Reay, the Committee on Regional Policy and Transport debated for hours before reaching a compromise. This is why I am pleased that no amendments have been tabled for consideration in plenary sitting, because otherwise we should be faced with a repetition of the lengthy debate which has already taken place in Brussels.

It is our wish that this proposal should be placed before the Council in its present form as soon as possible. One reason for this is that the European Parliament is more or less responsible for the proposal having taken so long to reach this stage. After having been referred back to the committee by Parliament, this proposal now

Eisma

appears before Parliament for the third time since 1972. Another reason is that we cannot expect the Council instantly to approve this proposal. In all likelihood this proposal will join 400 or so others which have been forwarded by Parliament to the Council and which the latter has yet to adopt. However, no one can say that we held it up.

One significant aspect of this proposal is that it is not possible to ascertain to what extent, the number of road accidents, 83% of which are caused by human error, as Mr Mursch already mentioned, can be reduced by this directive on the harmonization of driving licences.

We must do everything in our power to reduce the number of these risk factors. Human risk factors can be limited by harmonizing driving licences, all the more so since there are no uniform provisions in the Member States of the Community as regards age, general fitness requirements for driving vehicles, the nature of the test, compulsory driving lessons and the period of validity of driving licences. It is very satisfying that all these points should be combined in a single directive for all Member States.

The Commission of the European Communities based its proposal on a vehicle category A whereas the Committee on Regional Policy and Transport introduced two categories, A1 and A2. Category A1 includes cycles with auxiliary motor and motor cycles with or without sidecar having a maximum design speed of 45 km/h. Driving licences would be required for this category, since many accidents occur particularly in this sector. It is a good thing that this proposal was unanimously adopted by the Committee.

In conclusion I should like to say that my group approves this proposal for a directive without reservations. We hope that it will not be long before driving licences are issued in Member States on a uniform basis. At the same time we hope—though this might take a little longer—that the suspension of driving licences in the Community will also be effected on a uniform basis, that driving licences will be mutually recognized and that a model driving licence for the entire Community will be chosen.

(Applause)

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

Lord Mansfield. — After my last experience I hesitate to say that I am speaking on behalf of our group, first because of what happened a few moments ago, and second, and possibly

more important, because I am not completely in agreement with the group policy relating to this document. That is certainly a point worth making.

I hope, Mr President, that when you come to read this report dated today, to which we have not been able to table amendments, you will reconsider the effect of what you said, that Parliament has many other more important subjects to debate. Indeed, it has. But this particular consideration—that is to say, the directive which seeks to harmonize the driving licences of the Nine—is extraordinarily important to ordinary people. At this time when in certain countries within the Community fundamental rethinking is going on about what the Community stands for and what it can do for the people within the Nine, it is simple things like this directive which people can understand and either approve or disapprove of.

When people talk about the faceless bureaucrats in Brussels, they are talking about matters such as juggernaut lorries, European driving licences and butter mountains, and not about trade agreements, however important they are, with third countries in Asia.

This report, as the House has been told, was considered at very considerable length in committee. Herr Lücker, speaking to my application to postpone the discussion, said that the report was adopted unanimously. Of course, it was adopted unanimously because it was a compromise which everybody accepted, and nobody—because everybody had been so cooperative—wanted to stand in its way. But like most compromises, it was not liked by anyone. I certainly did not like its contents or the way in which it strayed into legal fields. The report and the amendments to the Commission's proposals merely glossed over the difficult and deep divergences of opinion which exist between the various member countries.

One lack of agreement was in the difficult matter of the ages at which citizens are to be allowed to take to the roads in different forms of transport. That Article (Article 5) was in effect glossed over. The two countries in which it causes particular difficulty—Ireland and the United Kingdom—will be allowed to carry on as they wish for five years if the Commission and the Council of Ministers accept this amendment, while further inquiries are made and a survey taken.

On Article 6, there was considerable disagreement as to the scope and nature of the tests for would-be drivers. The Commission originally proposed, indeed, a psychological examination,

Lord Mansfield

and I am glad that that provision at any rate was deleted by the committee. One hopes that that deletion will be accepted by the Commission.

As for medical examination, it became plain when the Committee examined these parts of the report that there was a lack of expertise.

One does not expect expertise in medicine and road safety among politicians and civil servants. I have no complaint about that and the committee is to be commended for not going into matters that it did not understand and was not qualified to discuss.

As for the legality of the report, I am particularly worried about Article 11, dealing with the suspension of the European driving licence when an offence has been committed. The original Article 11 proposed by the Commission merely said that each Member State

'...may suspend the validity of a driving licence issued by another Member State in any case where an offence has been committed in certain circumstances.'

That has been amended, so that only the Member State of the national involved may suspend the validity of a European driving licence. I feel strongly that only the 'home State' should be able to suspend the licence.

I should have liked this directive to be held back while the Commission took more expert advice upon which to base it. As it now is, this document resembles that good Scottish dish of porridge—bland and sustaining when one first takes it, but of very little value soon after. I am sorry to describe it so, particularly as the Chairman, Mr Hill, who is in my group, worked so hard and because Mr Herbert, the rapporteur, worked hard and long to make sense of this. He has made sense of it but I fear that it is not in a form which will ever be passed by the Council of Ministers. When it knows a little more, Parliament will have to return to it. I had hoped that it could have been held back until we could do that.

President. — I call Mr Memmel to speak on behalf of the Legal Affairs Committee.

Mr Memmel, draftsman of the opinion. — (D) Mr President, you have called me to speak as co-draftsman for the Legal Affairs Committee, but if you will allow me, I cannot resist saying a few words first on my own behalf. I am delighted that this proposal for a directive has finally reached the plenary assembly. It has come a very long way. Moreover, it has not been an easy way, since it has had no less than four

rapporteurs, first Mr Cousté, then Mr Bousquet, then Mr Jarrot, now Mr Herbert; finally too, it was referred back for new consultations after fifty-five amendments had been tabled. This is my personal comment. As I say, I am delighted that it has finally come before the House.

On behalf of the Legal Affairs Committee, I would add this: the Legal Affairs Committee began its examination on 23 November, 1972, and unanimously approved the proposal for a directive. I have nothing further to add to this original assessment, except to express the wish that the two countries which have been allowing driving licences at 17 years should, as soon as possible, agree to conform with the rest of Europe and adopt a minimum age limit of 18 years.

President. — I call Mr Giraud.

Mr Giraud. — (F) Mr President, I had not intended to speak, but I want to comment on something Lord Mansfield said.

He said we had glossed over the problems. This seems to me quite wrong, since few committees have spent such a long time thoroughly studying a report. On the contrary, in my own view, we have spent too much time.

Having said that, I must say this report represents a compromise and, like all compromises, it cannot please everyone. It can only please everybody a little, and displease everybody a little too. But if any of us were to call this compromise into question, the whole thing would collapse.

The delay over this proposal now imposes on this Parliament an obligation to deal with it here and now and to adopt it.

Finally—and I agree here with Lord Mansfield—this text has to go before the Council and there we are sure to find governments raising many of the same objections on which we have tried to reach a compromise. I, unfortunately, believe that it will be many years yet before a European scheme is agreed on; nevertheless, our Parliament would be failing in its duty if it did not now adopt this proposal, even if it meets with less success in the Council than the Socialist Group would wish.

President. — I call Mr Schwabe.

Mr Schwabe. — (D) Mr President, ladies and gentlemen; if I may speak on this subject again: first, I wish to thank the rapporteur and—I think one might add—the three other progenitors of the report.

Schwabe

Secondly, I should like to say that it became clear in dealing with this report how little traffic questions have to do with regional policy. This was strikingly obvious in committee. Nevertheless, we are compelled to consider such matters and I should like to stress that we have not carried out this work in a resigned or critical spirit. It is obviously a good thing, for instance, to have, once and for all, a uniform driving licence, recognized everywhere in the Community.

One further point which has not been raised so far this evening, but which is important: we believe that the driving licence for motor vehicle drivers cannot automatically be valid for motorcycles. Ladies and gentlemen, you doubtless all drive cars, but I can assure you that, though you may be able to drive a Peugeot, a Fiat or a VW, if you were let loose on a Honda 500 or BMW with side-car into the bargain, you could kill half-a-dozen people in as many seconds. Riding a motorcycle is a special skill which has to be learned.

I am also glad that the Committee has agreed to our suggestion regarding the minimum age for driving agricultural vehicles. We proposed that it should be sixteen—i.e., not the same as for engineering machinery. Young people—not only boys but girls too—will flee from the farms if they are even forbidden to drive the family tractor. After all, the adults can get on with the hard work!

The question of introducing the national registers was also a very controversial point; but we have, by and large, agreed to this.

This is a European driving licence—however, a licence for the European Community only. We should, I think, express the wish to see this transformed into a driving licence for the whole of Europe, tied in with the earlier, still existing, form of international driving licence.

For all these papers contribute to international tourism. International tourism is a wonderful promoter of international understanding.

Now, one last word to Lord Mansfield and the whole House: don't let us be self-derogatory and say that we, as he put it, are offering the Council a kind of Scottish porridge. I can only say, with my natural optimism: I think this Scottish dish is excellent and I hope you agree. The Council should find it to its taste, too, and ensure that among the other 400 texts awaiting is attention this proposal receives prompt consideration. The interests of easier and safer movement of traffic across our continent demand it.

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 should like to thank the rapporteur, Mr Herbert, for introducing this document. I regret that the Chairman of the Committee on Regional Policy and Transport, Mr James Hill, who, together with the members of his committee, has worked so hard to draw up this text, cannot be with us today.

After so much debate, in the course of which four rapporteurs have in turn dealt with this matter and many amendments to the proposal for a directive have been tabled, it would be an insult to Parliament to suggest that this document had no real content. On the contrary, I consider that the members of Parliament belonging to the Committee on Regional Policy and Transport and to the Legal Affairs Committee have produced a document which, though it may not represent the ideal solution, certainly constitutes a valid basis on which the Council can reach a conclusion.

On behalf of both the Commission and myself personally, I should like to express agreement on almost all the amendments tabled by the Committee on Regional Policy and Transport. The Commission undertakes to defend them before the Council. There are, however, two points on which I should like to express the Commission's basic disagreement, these being the only reservations in question. The first point concerns the categories of vehicles covered by Article 3. We feel, in principle, that it is a serious mistake to demand a licence for motor cycles and cycles with an auxiliary motor with a speed of under 45 km per hour since, in general, these motor cycles and mopeds are used by students or workers. To require them to obtain a driving licence obviously constitutes hindrance and we do not feel it is necessary in view of the limited speed and risk involved. I therefore ask Parliament, if possible, to withdraw this amendment to Article 3.

The second point concerns the suspension of driving licences in a Member State, dealt with in Article 11. The Commission has some further reservations on this point. It seems to be quite inadmissible, if a citizen commits an offence when abroad, for the State in question to have to wait for a decision by the citizen's native country before withdrawing his licence. If an offence is committed in one Community country by the citizen of another, the authorities of the State in which the offence is committed should be able to withdraw the driving licence and, naturally, take any other proceedings. The same

Scarascia Mugnozza

citizen may commit several offences abroad within a few hours. It is therefore absurd to wait for a decision by the offender's home country before deciding what action to take. Such steps must naturally be taken with all due precautions and adequate defence made available. I must, however, express major reservations on Article 11.

In conclusion, Mr President, I hope that it will be possible to adopt the directive this evening. I should, nevertheless, once more like to invite Parliament to revise Articles 3 and 11 along the lines indicated by the Commission.

President. — Does anyone else wish to speak? The general debate is closed.

On the motion for a resolution I have no amendments or speakers listed.

Does anyone wish to speak?

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

The resolution as a whole is adopted.¹

10. *Directives on external projections, the installation of lighting and light signalling devices, fog lights and reflex reflecting devices on motor vehicles and their trailers*

President. — The next item is the debate on the report drawn up by Mr Herbert on behalf of the Committee on Regional policy and Transport on the proposals from the Commission of the European Communities to the Council for four directives concerning the approximation of the laws of the Member States relating to:

1. the installation of lighting and light signalling devices on motor vehicles and trailers (Doc. 332/73)
2. fog lights for motor vehicles (Doc. 333/73)
3. the external projections of motor vehicles (Doc. 341/73)
4. reflex reflecting devices for motor vehicles and their trailers (Doc. 348/73) (Doc. 44/74).

I call Mr Herbert to present his report.

Mr Herbert, rapporteur. — My report, contained in Document 44/74, is really self-explanatory. These four directives are of a highly technical nature and the only matter that really arises, in my opinion and the opinion of

the Committee, is whether the standards proposed should be applied optionally or compulsorily within the Community. The optional system proposed by the Commission is designed for further freedom of trade, but since the standards laid down do not have to be used internally by any Member State, the contribution of the system to road safety would not seem to be great.

The Committee on Regional Policy and Transport therefore proposes in an amendment that they have made to each directive that the Commission should ultimately submit proposals to make these standards compulsory. That is contained in the new Article 3 in each of the four directives. We do not say that this should be done at once but we feel that it should be done, finally primarily and purely in the interests of road safety.

Our proposals meet with the agreement of the Legal Affairs Committee and the Committee on Economic and Monetary Affairs, whose opinions are annexed to this report. Furthermore, the amendments that we propose follow a previous decision of the European Parliament in 1969. I hope, therefore, that this report can be accepted without any difficulty.

President. — I call Mr Scholten.

Mr Scholten. — (NL) Mr President, I should like to make a few remarks on paragraph 2 of the motion for a resolution and on the amendments proposing the insertion of a third paragraph.

Paragraph 2 states that the Parliament considers that the optional system proposed by the Commission of the European Communities to the Council should be applicable for a limited period only, since unified Community legislation for all Member States would be enacted at a later stage.

I do not agree with this. The tenor of the arguments put forward in committee meetings has convinced me that, particularly from the road safety point of view, such a system is undesirable.

Situations and circumstances in the individual Member States differ so widely that it would be impossible to reduce them to a common denominator.

As I pointed out recently during a debate on taxation, harmonization does not mean that the rules must be identical for all Member States. It means that we must harmonize our regulations, but at the same time adapt them to circumstances in the various Member States.

¹ OJ No C 55, 13. 5. 1974.

Scholten

I believe that we are going too far with this proposal. I also believe that experience will show that it is not viable. Because of the way the committee voted, I did not table an amendment as it would not have the slightest chance of success. I did, however, want to say that I share the Commission's views on this point. I cannot agree with this amendment and shall therefore abstain from voting on the motion for a resolution.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) I should like to thank the rapporteur and dwell briefly on the question of total versus optional harmonization. As far as this point is concerned, I think that the points which the representative has just made largely coincide with the Commission's. The Commission feels that because of the *de facto* situation in the various countries, a rigid interpretation of harmonization in this field would probably encounter serious obstacles to its application.

It therefore seems more advisable to follow previous practice and carry out optimal harmonization. This clearly prepares the ground for total harmonization which can then be implemented when the time is ripe. I should also like to point out to Parliament that optional harmonization has the advantage, amongst others, of allowing more speedy action.

President. — 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 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

11. *Oral Question with debate: recycling and re-utilization of waste*

President. — The next item is the Oral Question, with debate, put by Mr Lagorce to the Commission of the European Communities on behalf of the Socialist Group on the recycling and re-utilization of waste (Doc. 10/74). The Question is worded as follows:

The energy crisis will at least have had one beneficial effect—the revival of a concept which had gradually become obsolete, the husbanding of resources.

But, though it is important to combat the waste of energy, it is equally necessary to conserve raw materials, most of which are not inexhaustible.

In this connection, the experts claim that the recovery, and the recycling or re-utilization after processing, of the various kinds of waste which pollute our environment, can provide considerable resources for agriculture and industry.

1. Can the Commission inform Parliament of the results of the research carried out under the multi-annual programme on the recycling of raw materials?
2. Could the Commission also indicate the progress achieved and the scale of research in this field in the various Member States? Have coordination measures already been undertaken at Community level?
3. When reviewing the multi-annual research programme does the Commission intend to propose more intensive measures to recycle raw materials?
4. Does the Commission intend to go beyond the research stage and propose measures to conserve raw materials and improve environmental protection?

In accordance with Parliament's decision, speaking time will be allocated as follows:

- 10 minutes for the questioner;
- 5 minutes for other speakers.

Apart from this, Rule 47, 3 of the Rules of Procedure will apply.

I call Mr Lagorce to speak to the question.

Mr Lagorce. — (F) Mr President, honourable colleagues, during the debate last March on Mr Springorum's motion for a resolution on measures to be taken to alleviate the effects of the energy supply crisis in the Community, I had tabled an amendment which was adopted, urging the recycling and re-utilization of waste.

The oral question being discussed today simply clarifies the principles underlying that amendment.

One is the scientific principle, formulated by the French scientist, Lavoisier in his well known phrase: in nature, 'nothing is created, nothing lost: everything is transformed.' There is too

¹ OJ No C 55, 13. 5. 1974.

Lagorce

the moral principle which our consumer society, as I have said before, has forgotten—the economy principle.

Our consumer society—you might indeed call it the 'throw-away' society—we throw away everything: pens, lighters, bottles, packagings, papers, handkerchiefs, cars. In addition, there are the three hundred kilos of household waste produced annually by each individual, industrial waste, agricultural waste, commercial waste.

Is the human race going to end up buried under its own waste? Think of Ionesco's well known play: 'How can we get rid of it?'. How can we prevent this invasion by the dross of our civilization, rubbish which is polluting our environment and disfiguring our finest natural sites?

We have two alternatives: camouflage or destruction; recycling or re-utilization after treatment.

One gets the impression that the solution favoured most in the Community is the former—and destruction of waste matter is a difficult and sorry business.

As for recycling and re-utilization of this waste, it seems that we are still at the research stage. How far has national and Community research got?

Will progress soon be made beyond that stage and what practical application would it lead to? Such are the questions I put to the Commission for this problem is becoming increasingly urgent.

As a consequence of the recent energy crises, there can be no doubt of the need to economize energy, but this includes economizing raw materials and this is where the treatment of waste comes in.

With regard to the production of energy through the treatment of waste, I shall just mention incineration of household waste to produce thermal or electrical energy, which some commentators think is too costly.

But could not the new pyrolysis process used in the Buffalo factories in the USA with some success, it seems, be employed generally in the Community?

Again, everybody has heard speak of oil from fermentation obtained through Dr Laigret's experiments from household waste (peelings, bits of meat, dead leaves, etc.) or from sewer sludge. If it is true that, by treating one ton of sludge, one can obtain, in addition to 124 cu.m. of gas, 106 litres of crude oil as pure as natural oil, which, when distilled can be used for the same products, why shouldn't the Com-

munity take the initiative and make this process known and widely adopted, even if this should go against certain powerful interests?

Finally, while I am still on the subject of producing energy by recycling waste, there is the fermentation of agricultural waste such as manure or straw from which gas, again, can be produced: 60 cu.m. of gas per ton of manure, and 200/250 cu.m. per ton of straw. This process, which would enable considerable quantities of these agricultural waste materials to be treated, (France alone produces annually 30 000 000 tons of straw, for instance) could surely be employed to advantage.

But when we speak of recycling and re-utilization of waste, we are thinking mainly of the raw materials which can be obtained thereby.

While raw materials are not inexhaustible, they are, no doubt, far from exhausted yet. Nevertheless, haven't we begun to hear of a possible crisis in the production of paper? This should hardly surprise us when we consider the enormous quantity of paper our age consumes and, on the other hand, the fact that seventeen trees are needed to produce one ton of paper.

There can be no doubt that the recovery of old paper, packaging, newspapers, etc. would help to preserve our forests which may otherwise disappear relatively soon. Now, there is a great deal to be done in this sphere seeing that three-quarters of the old paper and cardboard is thrown away every year when it could be recycled. This is a typical example.

A symposium under the chairmanship of Professor Marois with experts from many different countries was held a few months ago in Orléans on the supply of raw materials and recycling of waste. One of the conclusions was that, by recovering and recycling waste—I quote—'one could reduce the exploitation of new raw materials by 25% to 50%. Eventually, it should be possible to reach a stable position with all waste being recovered and furnishing 85% of mankind's needs. Then it would no longer be necessary to extract from the soil more than 15% of our needs, not counting energy resources.'

These figures might well seem remarkable; but I must stress that they come from experts and scientists. Anyway, everyone knows of what is done in China: the systematic and comprehensive recovery of waste matter saves China millions of tons of raw materials each year. But for the Chinese, this is an ideological, even ethical matter rather than an industrial one. On the basis of such figures as these, it has been said that science ought to begin to 'search our dustbins'. It would be rewarded by finding

Lagorce

them filled 37% with paper, 9% with glass, 9% with metal, 2% with textiles and so on.

Thus, common and garden household waste represents a veritable minefield, often richer than natural deposits and especially easier to exploit, but we are by no means exploiting this possibility to the full.

Perhaps the recovery of scrap iron is an exception. But only too often it is carried out by unprofitable and unskilled methods. The cryogenic method of breaking up old skeletons of vehicles which litter our roads—in France, anyway, alas,—ought to replace the simple mechanical method of breaking them up, for it allows the non-ferrous metals to be separated more easily from other metals and impurities. Speaking generally, we must rationalize more systematically and effectively the collection, sorting and treatment of waste materials.

In Sweden, for example, paper, glass, plastic materials, metals are placed for collection in different containers which facilitates treatment later. New techniques certainly exist in this sphere. Can the Commission say how far these methods are being researched and employed in the different Member States?

Whatever the position, the first need seems to me to be to educate public opinion on the problem of recycling and re-utilizing waste. The public must be properly informed about the need now to economize in our use of the earth's raw materials, not only because they are expensive, but also because they are in danger of being used up.

But in addition to this information, different kinds of encouragement must be given, for example, financial incentives, especially to municipal authorities who, at the moment, in small towns and villages, do no more than deposit the waste which they collect in rubbish dumps, some better and some less well supervised, since rationalizing collection, sorting and recycling by treatment would cost too much in the way of equipment and extra staff.

But the best way of interesting the public in the problem is to make it aware of the way in which recovering and recycling waste can help in the fight against pollution and for the protection of the environment.

I have mentioned skeletons of abandoned cars, I have spoken of old papers; I could also speak of non-convertible plastic objects, such as bottles. I would like to mention another example, that of used oils. Do you know that 20% of the whole of industrial pollution of water is caused by used oils? Do you realize that only 50% of used oils are recycled to be re-utilized in the

form of lubricating or combustible oil? So three million tons of used oils are discharged every year into natural waterways in Europe with all the concomitant dangers of irremediable pollution of ground water.

Cannot those responsible be approached by a coordinated action in the Member States? I think this question has already been answered, judging by the proposal for a directive submitted to the Council concerning this very subject of the elimination of used oils.

To sum up, ways must be found of recovering, recycling and reutilizing waste in recognition of their prime importance in our troubled world.

It is, indeed, an economic and technical problem, but it is too, I repeat, a moral and human problem. It is a matter of transforming a society of squanderers which has, for too long, been working for its own destruction into a wise and balanced society where nature's rights are restored.

The replies which will certainly be given to all these anxious questions which explain my oral question will, perhaps, tell us if this is possible.

(Applause)

President. — I call Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (1) Following the general lines of the environmental policy, the Commission asked the Joint Research Centre to initiate research into recycling of raw materials as from 1973. This is important because of the reduction of natural non-renewable resources and the struggle against industrial pollution.

The first work has led to the establishment of mathematical models describing consumption of raw materials as a function of the rate of recycling. Experimental studies of an exploratory nature were also started which have made it possible to distinguish the possible lines of development and direction of future research.

The sector of non-ferrous materials was chosen for the first application of the mathematical models and practical results have already been obtained in respect of lead. The scale of the problems involved required that current research in Member States should be to some extent coordinated as well as appropriate studies be conducted in the Joint Research Centre. The Commission has already started a study to assess requirements from this point of view.

Scarascia Mugnozza

But it seems essential that the starting point should be a list of studies carried out in the Member States in order to establish what type of coordination is required at the Community level.

This list is one of the projects currently undertaken by the Committee for Scientific and Technological Research recently set up by the Council. The Commission did not consider it advisable to suggest that the Joint Research Centre conduct additional experimental work on the recycling of raw materials as early as 1974 but thought it better to wait until a Community policy on raw materials, and accordingly a coherent research policy on the European level, was defined. Some pilot studies of prospective analysis have, however, been suggested. The Commission will be able to propose the annual revision of the Joint Research Centre's programme as soon as a Community raw materials policy, currently being prepared, can be implemented. It therefore seems probable that, as from next year, we will see an intensification of model studies and the launching of a certain number of studies at Community level.

These studies are obviously not an end in themselves. Public authorities at all levels, will have to use them to indicate which measures need to be adopted. For its part, the Commission will confine itself to presenting practical proposals within the framework of the programme on raw materials which, as I have already mentioned, is being drawn up and within the framework of existing and future sectoral industrial policies.

To turn to the environment, on 25 March the Commission forwarded to the Council a proposal for a directive on the elimination of used industrial oil which the Commission felt could be re-utilized after suitable treatment by regeneration or burning.

The programme on the environment envisages further proposals concerning waste which will be presented to the Council before the end of the year. In this field, I should also like to point out that the Commission has undertaken to submit to the Council during 1975 the results of the studies on environmental problems linked to the availability of some mineral resources and water in the Community, an analysis of the environmental effect of the reduction of some resources and an analysis of the conservation of non-renewable resources.

This said, Mr President, I should like to thank Mr Lagorce for introducing his question and assure him that I share his concern, both moral and material. The Commission, therefore,

intends to act as rapidly as possible to solve these problems.

President. — I call Lord St. Oswald to speak on behalf of the European Conservative Group. I would remind him that it was agreed to allow 5 minutes' speaking time.

Lord St. Oswald. — Mr President, I rise to speak briefly, as you have requested, to express the complete agreement of my group with the content and purpose of the question of Mr Lagorce. In particular, I agree with him that this is a proper problem for study at Community level. Indeed, it is an easy matter to agree upon across the floor of the House. By a coincidence, only 17 days ago in the House of Commons a debate on this matter was opened by the Conservative Member for Pudsey, a constituency near my home—which, for emotional as well as geographic reasons, I would myself gladly be representing in the House of Commons!

On that occasion—on 5 April, I think—the Government and Opposition in the House of Commons showed themselves to be in close agreement. A close and much respected friend of mine in England, who is a highly successful industrialist as well as a Socialist, believes that 40 per cent of the costs of the overheads of British industry as a whole today consist of waste, though he is thinking in terms of human waste, of energy and ingenuity, waste through inefficiency, rather than material waste, which is the immediate subject here.

The difficulty in this debate is to find any general propositions, which are not in everybody's minds already. Waste is bad. It should be reduced to a minimum. When possible the waste substances should even be converted to practical use, which is often possible as the terms of this question affirm.

I would have kept my intervention brief in any case, because it should consist of some of the awful object lessons to be learned statistically from my own country, and it would be too painful for me to give a long recitation from all the evidence available. Each year every British subject—and presumably women and children make a hefty contribution—flings away individually 200 metal cans, 140 bottles and 21 lbs of plastic packing. Each British family places in its family dustbin over half a ton of paper in a year. As a nation we are throwing away 18 million tons of refuse a year—a quantity which will double in 20 years at the present rate.

In doing this, in common no doubt with most of our fellow Europeans, we give hardly a

Lord St. Oswald

thought to whether these unloved objects and scraps might be used again or transformed into something useful. Nor do we bother our heads with thoughts of the costs of eventual disposal. In the last calendar year, municipal authorities in Britain tipped 16 million tons of refuse collected by 33 000 dustmen, a sizeable army! The packaging of British domestic purchases costs £600 million a year, which is in effect all thrown away, never to be seen or thought of again once the package is unwrapped.

But the pure monetary costs have lately been eclipsed by another factor which, in other contexts, we have lately discussed a great deal: that is, energy. The preparation of this eventual British rubbish requires the energy equivalent of a fifth of the nation's coal output.

In our new wasteful era, the human race throws away, among other things, what would have been regarded a generation ago as miracles of technological genius. Whole television sets, when past their prime, are discarded among the rubbish. One small part of a television set, the silicone transistor, requires three kilowatt hours of primary energy to produce, and it can be held in the palm of the hand. The delicate parts of an ordinary television set that we take for granted—the transistors, the printed circuits and other fruits of men's genius—require 4 000 kilowatts of energy for their construction. That in itself can be measured as half a ton of coal. Many who throw away old television sets would think twice about throwing away half a ton of coal. With sources of energy less reliable and predictable and much scarcer every decade, waste which can be traced back to a waste of energy becomes, if not a crime or a sin, at least a fairly grave offence against common sense.

Mr Lagorce has told us something of what can be done to convert some waste for useful purposes. Because he has clearly studied the possibilities far more closely than I, it would be of little help to this gathering if I were to seek to add further detail or variety to what he has said.

On behalf of my group, I thank him for raising this subject which, as the Commissioner will no doubt be aware, cannot end with this evening's debate.

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I was so impressed by Mr Lagorce's thorough, complete and scientifically up-to-date statement which gives a very interesting framework, that I wish to add some points and speak on my own behalf.

I shall not trespass on scientific ground, nor shall I stray into statistics. I shall confine myself to stressing a few political aspects. I firstly feel that Mr Lagorce's treatment of this problem as primarily moral, encouraging an attitude to life which restores the economy principle should be of particular interest to the Community as a grouping of peoples with a high living standard and great industrial capacity, but very differently endowed with space and resources from the two super-powers of our time, i.e. the USA and Russia.

I usually bring home this point by pointing out that, if the European part of the Soviet Union and the USA had the same average population density as the Community, their population would be over 1 500 million, with all the imaginable consequences. As a result, the Community faces particularly intense and urgent problems and, at the same time, has a moral duty to pay attention to the needs of the other masses of humanity, ranging from the overpopulation of Asia to the chronic starvation and poverty of certain vast areas of Africa. These tragic problems are all too topical.

I therefore feel that the lead given by the Commission is both important and perfectly correct. Hence my request that it should follow this approach as far as possible. In other words, we must stop merely issuing pious wishes about the environment, making sensible proposals, projects in schools and speeches in the streets, and move on to scientific investigation.

A second point is that, in the struggle against the Nemesis of our times, local communities are involved mainly in promoting the re-utilization and recycling. These are often small organizations, sometimes short of funds, so I feel that both the individual States and the Community and its bodies should encourage coordination between these units known most evocatively (in French) as *pouvoirs locaux*, over territory, finance and scientific programmes so that they may be able to tackle the problems.

Thirdly, Mr President, we must affirm a principle which I think stems or follows from another also emerging in this field. The first principle which has already been established is that the polluter must pay. Above all, this refers to industry. On many previous occasions I have supported the justice of this principle, but we must beware of its effects on competitiveness and competition, because if, in one Community State industry has to incur certain costs to avoid pollution and there is no comparable rule in the other Member States, these industries risk becoming uncompetitive and excluded from the market. Another principle which I feel should be established is that anyone who re-

Cifarelli

utilizes and recycles should be assisted. In other words, any form of encouragement, whether in the form of research, finance, associated benefits or as a consideration of all the problems linked with the effective powers of the world of today—i.e. the large industrial complexes—should be assisted. We should have a two-pronged approach—on one hand a passive penalization of pollution (the polluter pays) and, on the other, advantages to those who recycle and seriously attack these problems with modern techniques.

I should like to make one last point, Mr President. Of course we encourage the Commission to act in this field and appreciate its initial efforts, but, as a Parliament, we should also like to influence the policy of the individual States involved (preferably through a directive, several future directives or some other such provisions). For this, however, we need the support of public opinion. I should like to point out that in the Community there are various sorts of autonomous organizations with various names, which deal with the environmental question. I think the Commission should take them into consideration, assess their uses and give them support.

Speaking from personal experience, in Italy there exists a most worthy organization which is enemy number one of all those who attempt to ruin the beauty and nature of my country. It is called Italia Nostra. Also, and not only in Italy, there are VWF (the International Fund for the Defence of Nature) and Europa Nostra, an umbrella body covering various organizations inside and outside the Community with an English president and, I think, a coordinating centre in London.

I shall not go on, Mr President, because I wish to keep within the time at my disposal but I would like to suggest to the Commission's Vice-President, who speaks the same language as I do, that, by appreciating the autonomous

organizations, we may obtain the support of public opinion which we need to attain the goals which the Commission is pursuing with scientific research concerning lead, steel, combustible oil, cellulose etc., but can only be translated into practical measures (often difficult to enforce) when public opinion has understood the need for them and desires national governments and the Community itself to implement them. I therefore feel that these problems are serious enough to merit our full attention and preoccupation. We are unfortunately not discussing their political aspect here but one day we must pursue the discussion in all its ramifications.

President. — Does anyone else wish to speak?

This item is closed.

12. *Agenda for next sitting*

President. — The next sitting will be held tomorrow Tuesday, 23 April 1974, with the following agenda:

2.00 p.m.:

- Report by Mr Hougardy on the mutual recognition of diplomas;
- Report by Mr Schulz on education in the Community;
- Second report by Mr Noè on the creation of European uranium enrichment capacities;
- Report by Mr Springorum on energy policy measures (simplified consultation procedure);
- Report by Mr Memmel on a procedure of consolidation.

The sitting is closed.

(The sitting was closed at 7.50 p.m.)

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IN THE CHAIR: MR BERKHOUWER

President

(The sitting was opened at 2.05 p.m.)

President. — The sitting is open.

1. Approval of minutes of proceedings

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

Are there any comments?

The minutes of proceedings are approved.

2. Documents received

President. — I have received the following documents:

(a) Report by Mr Lucien Martens on behalf of the Committee on Agriculture on the amendment to the proposal from the Commission of the European Communities to the Council for a regulation supplementing Regulation No 1009/67/EEC on the common organization of the market in sugar (Doc. 55/74);

(b) the following Oral Questions with debate to the Commission of the European Communities:

— by Mr Gibbons, Mr Herbert, Mr Lenihan, Mr Liogier and Mr Rivierez on the Guidance Section of the EAGGF (Doc. 56/74);

— by Mr Jakobsen, Mr Brewis, Mr John Hill, Lord St. Oswald and Mr Scott-Hopkins on price increases in agriculture (Doc. 57/74);

— by the Political Affairs Committee on the present state of the Community (Doc. 58/74).

3. Receipt of a petition

President. — I have received from Mr Virgile Barel a petition concerning the protection of the Mediterranean.

This petition has been entered under No 3/74 in the register stipulated in Rule 48 of the Rules of Procedure and referred to the Committee on Public Health and the Environment for consideration.

4. Resolution on recognition of diplomas, certificates and other evidence of formal qualifications

President. — The next item is a debate on the report drawn up by Mr Hougardy on behalf of the Committee on Cultural Affairs and Youth on the proposal from the Commission of the European Communities to the Council for a resolution on guidelines for the mutual recognition of diplomas, certificates and other evidence of formal qualifications by virtue of Article 57 of the EEC Treaty (Doc. 43/74).

I call Mr Broeks for a procedural motion on behalf of the Committee on Cultural Affairs and Youth.

Mr Broeks. — (NL) Mr President, the Committee on Cultural Affairs and Youth had to deal as speedily as possible with reports Nos 47 and 48 now to be discussed. The committee only recently received copies of these two reports. The Council consulted the European Parliament on the proposal on mutual recognition of diplo-

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mas. The memorandum on education in the EEC was not submitted by the Council to Parliament. Our committee asked the Bureau whether it might be permitted to make a preliminary report. I am glad to say that the Bureau agreed, since these two important issues deserve detailed treatment. The committee was obliged to work at such great speed because we had expected these two questions to be included on the agenda and discussed at this part-session.

We also thought it would afterwards be possible to present these reports, together with Parliament's opinions, to the Council of Ministers of Education who are to meet at the beginning of May.

The rapporteur, the secretariat of the committee and the draftsman of the opinion have done their best to provide the opinions in time. I think the European Parliament can be very grateful to Mr Hougardy, Mr Rivierez of the Legal Affairs Committee, the advisers, and particularly Mr Klepsch, deputy rapporteur for the second report. They can be congratulated on having done this work at such short notice.

Mr President, may I ask you to do everything possible to ensure that Parliament's opinions are submitted to the Council as early as possible, so that copies of the opinions in all the languages will be available to the Ministers of Education when they meet at the beginning of May. I feel sure that you will understand the importance of this, and that I can count on all persons concerned to do their best.

I am also sorry to say that Mr Rivierez, who was to have spoken on behalf of the Legal Affairs Committee cannot attend. As he was under the impression that the meeting was to begin at 3 p.m. he will not be present before then. However, we cannot postpone the debate on this report, since Mr Hougardy has to return to Brussels as soon as possible. You will therefore understand that Mr Rivierez cannot be present at the beginning of the debate.

President. — I thank Mr Broeksz, who I assume was speaking in his capacity as Chairman of the Committee on Cultural Affairs and Youth. I can promise him we will do everything possible to ensure that copies of our documents in all the languages are sent to the Council in time.

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

Mr Hougardy, rapporteur. — (F) Mr President, ladies and gentlemen, we are once more called upon in this House to discuss the problems of freedom of establishment on the occasion of the

Commission's submission of a draft resolution of the Council, setting out guidelines for the mutual recognition of diplomas and evidence of formal qualifications as provided by Article 57 of the EEC Treaty.

First let me endorse what the Chairman, Mr Broeksz, has just said and in particular his thanks to the secretariat and all the officials responsible for drafting this document with such commendable speed. They have put a real effort into their work and for this, as Mr Broeksz has just said with much more authority than myself, they deserve special praise.

Those who, like myself, and you yourself Mr President, have been Members of this Parliament for several years, know how much time we have spent on the problem of freedom of establishment, both at Committee level and in plenary sessions. I will not bore you with a recital of all the draft directives submitted in this field by the Commission of the Communities and which, as you all know, have been lying on the Council desk for months if not years.

The situation has reached total deadlock and, as the Commission of the Communities points out in its draft resolution to the Council, this situation stemmed largely from the problems raised by the mutual recognition of diplomas and the coordination of training, which gave rise to considerable differences of opinion during the investigations by the Council experts.

The Commission must, I feel, be congratulated for submitting this draft resolution, which, I would stress, is basically intended to remove these obstacles. The Commission, which was required by the Treaty to investigate the problems related to the recognition of diplomas, set up a Working Party, in which, in 1972, even those States who were not due to join the Community until 1 January 1973 were able to take part. The Commission realized that the method it had adopted on working out the draft directives was leading to an impasse, or at least to work and negotiations on points of detail which might go on for years.

On the advice of experts and professionals in the field, it has attempted to tackle the problem of the recognition of diplomas in a more general way by suggesting certain guidelines which, when adopted by the Council, ought to enable it to agree on the various draft directives.

I shall not tackle the problem raised by the legal validity of this draft resolution. Our colleague, Mr Rivierez, may arrive in time to give his views on the matter. I shall therefore merely emphasize that this is first and foremost a political act by the Commission, which is taking on

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itself the responsibility of putting forward certain principles with a view to speeding up the adoption of the numerous directives on freedom of establishment.

I believe that Parliament too, despite deadlines which are difficult to meet—our Chairman Mr Broeksz has just stressed this point—must take the responsibility of expressing its opinion on these guidelines. As you know, the question of freedom of establishment is one that concerns many thousands, I might almost say hundreds of thousands of people in the Community. Moreover, this is an extremely complex question and requires the closest scrutiny. However, I believe that, in view of this Parliament's previous attitude, we can give our verdict today on the text which has been submitted and which on the whole seems acceptable to me.

The Committee on Cultural Affairs and Youth considered that the first item of the guidelines could be approved. The Commission of the Communities does indeed accept the principle of the comparability of final qualifications allowing access to identical fields of activity, and requests that, for the mutual recognition of professional qualifications and the coordination of the conditions of access to the professions, the prescription of detailed training requirements should be avoided as far as possible. It is on this point in particular that the Commission, in the light of the work carried out by the Working Party, has made progress. However, I must stress that the Commission itself explains that the idea is to enable access to identical fields of activity and that it must be appreciated that, for certain professions, certain problems may arise, as exactly the same name may be given to a profession in the various States whereas it often covers different fields of activity. I shall come back to this point in a few moments.

May I express the hope that the Commission and the Council of Ministers will devote their attention to the question of grading in professional hierarchies? In several Community countries the absence of grading is creating such problems for the future of young people and the mutual recognition of diplomas that the right of establishment in Community countries is becoming a practical impossibility despite all the declarations of good intent.

The most striking example is without doubt the case of engineers. Not only is their diploma subject to qualification, but this qualification is subject to different interpretations. In Belgium, for example, the grading of engineers has never been settled, and many Belgians having completed studies of an advanced level, both in general subjects and mathematics, science and

technology, are unable to get their qualifications recognized at European level. Such an ambiguous situation cannot go on, as it is harmful in more ways than one.

The spirit of the European social charter bids us to stop as soon as we can all moral and material discrimination against certain categories of nationals of Member States of the European Communities. This discrimination results from the fact that these States have still failed to ensure that the qualifications of certain of their nationals are recognized by the other European States and, similarly, that the citizens of other States have their qualifications recognized in the host State. This raises a problem of responsibility for the Governments towards certain of their citizens who were confident of the value of the instruction they received and the qualification they obtained.

I should like to ask the Council to invite the Member States concerned to take immediate measures to prevent their own and foreign graduates from being impeded in their activities and their interests.

Items 2 and 3 of the guidelines may be approved without reservation, as the general interest itself depends on their being implemented. However, the Community rules and procedures which are adopted should be based on criteria of examination with a reference to the latest state of the art in the subject dealt with in the draft directive for the mutual recognition of diplomas.

As for items 4 and 5 of the guidelines, I feel I must be particularly insistent, together with the Committee on Cultural Affairs and Youth, since it seems to me that, both in matters of training and advisory help for the Commission of the Communities, the active participation of practitioners and teachers is essential if we are to prevent excessive bureaucratization. This is why an amendment to the text of the draft resolution has been adopted.

I shall not dwell on item 6 of the guidelines, since it was Parliament itself which requested that the benefit of the mutual recognition of professional qualifications for the activities referred to in the various draft directives should be extended to salaried members of the relevant professions.

When the draft resolution now before you was adopted, the Committee on Cultural Affairs and Youth approved and adopted a suggestion repeated in paragraph 4 of the draft, and which has been amended. The gist of this suggestion is that persons exercising activities referred to in the draft directives and settling in a country

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of the Community other than their own to work in group practice should be automatically granted recognition of their diplomas and freedom of establishment.

The Committee on Cultural Affairs and Youth was given so little time to study this draft that the Commission of the Communities was unable to adopt an opinion on this matter. I should like to recommend that Parliament should retain the suggestion thus made and which, in my opinion, would contribute to making freedom of establishment a reality in the very near future.

I am aware of the manifold difficulties which such a suggestion may create, but I still think it is a practical one. In fact it seems to me that membership of a group practice represents a full guarantee of the professional qualifications of the person concerned, and would also make for a solution to problems of liability since in a practice, liability for professional actions in non-salaried activities is collective as well as personal.

I would remind the House that if first the Committee on Cultural Affairs and Youth, and then Parliament have been obliged to give an opinion so quickly, this is because the Ministers of Education are at last—I stress at last—due to hold a Council meeting, or a conference, on 2 May. I think my words will be fully endorsed by this House if I express the hope that this Council or conference meeting of the Ministers of Education will actually take place and not be postponed once again. Let me merely remind you that the last meeting of the Ministers of Education took place on 16 November 1971.

In conclusion I would ask you to adopt the resolution as well as the proposed amendments to the text submitted by the Commission of the Communities.

(Applause)

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

Mr Pisoni. — *(I)* Mr President, ladies and gentlemen, before commenting on Mr Hougardy's report may I congratulate him on its thoroughness and on the hard work put into a subject of such great importance to the building of Europe and the education of European citizens.

While expressing its agreement with the report and the motion for a resolution, the Christian-Democratic Group would nevertheless like to emphasize certain aspects of the problem.

Article 57 of the Treaty of Rome, which provides for freedom of movement, freedom of establish-

ment and freedom to provide services anywhere within the Community, stipulates 1969 as the date by which these objectives should be achieved. Five years have now passed since then and only a few steps have been taken in this direction. At one stage we even ground to a halt.

The building of Europe will only have been completed when the European citizen is given an opportunity to be such and to recognize himself as such in any Member State in which he wishes to work or to take up residence. One essential condition for this is recognition of formal qualifications and professional skills and for this it must obviously be possible to gauge professional skill, since no one is prepared to accept it without proof. In this respect, more could possibly have been done in the last few years. The Commission, which we have kept informed on all work carried out to date, has submitted 40 draft directives. But not one of these has been adopted, and we are still at the introductory stage—the stage of study and preparation. Even the present proposal is essentially introductory, and we therefore consider ourselves to be still at the preparatory stage. We are aware of the difficulties involved, but I feel that those encountered up till now could easily be overcome if, instead of remaining at the study stage, we proceeded to the stage of dynamic experiment, which is indispensable. Until we go on to the experimental stage, to dynamic dialectic evolution, I do not think we shall make much progress.

As I have said, the difficulties can be overcome. Comparison—either quantitative or qualitative—is not an insurmountable obstacle. We obviously favour a qualitative comparison, but we are fully aware that certain institutions issue qualifications which are valid for the exercising of a profession within a limited territory; these institutes must also offer integrated exams of a professional standard which successively confer the right to exercise the profession in larger territories.

Nobody wants the automatic or successive recognition of formal qualifications to lead to a lowering of training standards—far from it! Harmonization must, in fact, be based on the highest standard, so that we can then call upon everyone to improve their own standards and give them an incentive to do so. Otherwise, everyone would think they had reached an adequate level of training without troubling to set their sights higher.

It is clear that science is constantly advancing—in knowledge, in feeling, in consciousness, as well as in the way problems are presented and

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tackled. Here too, if we lay down a limit, we cannot do so arbitrarily. This again is a flexible limit which allows and stimulates harmonization and adapts itself to the progress of science and technology—a limit which must promote progress instead of obliging education to mark time. From this point of view, I feel that it should be fairly easy to draw up a European standard.

As far as the present motion for a resolution is concerned, I have already mentioned that it only paves the way for future resolutions, although I feel that it does offer some encouragement and is a step in the right direction. Let us take a closer look at it. There is more or less automatic recognition of professionals working in group practices. This is a step forward. We should like—and this is our recommendation to the Commission and the Council—to see this proposal given the broadest possible interpretation. We realize that we are dealing here with the liberal professions, but we should nevertheless like the interpretation to be as broad as possible. This would have wider implications, since professionals who are today working in group practices may tomorrow be in charge of other group practices which may increase in number. Professional qualifications would not be lost, and this would be a prime mover within the Community. This is why we do not wish the interpretation to be either restrictive or limited to a certain period of time. We hope that the Commission, which must deal with the proposal within three months, will take the same line.

Another feature is the proposal to set up a permanent committee with the task of assisting and advising the Commission. This means that the Commission would not have to resort to other bodies which might be difficult to convene or result in even more loss of time. This permanent advisory committee should allow work to be speeded up and progress to become brisker right from the start. The initiative for extending recognition of degrees, diplomas and other qualifications to self-employed persons came from Parliament—the rapporteur has already mentioned this—and there is no need for me to stress this further. I do, however, feel that this could, in some respects, be implemented much faster, particularly in some specific professions. If, for instance, we take the wide field of the metalworking, chemical and other professions—in which strictly professional comparison is much easier, as is also the mutual recognition of qualifications, particularly in the case of migrant workers—it should become almost automatic.

I should like to conclude by expressing my appreciation of the Commission's work by calling

upon the Council to speed up the adoption of these measures. I should again like to stress that there can be no such thing as a European citizen without these measures, and that there will never be a European Community if its citizens are not recognized as equals, or if they cannot take up residence or exercise their professions free from restrictions other than those imposed by the necessary professional training, the ethical code of the profession, or the training for the tasks they are called upon to perform. We must move on from pious promises to concrete proposals, to practical steps. A good deal of water has flowed under the bridge since the signing of the Treaty of Rome and the 1969 target, and we should now like to put matters right. The more time we waste, the more likely it is that difficulties may arise. I, however, would call for a genuine start on experimentation. This will also necessitate a new type of school; it will result in all the Member States taking action towards adaptation of their schools to take account of latest developments and of what is being done in other countries. It will promote comparison and continuous confrontation with what is happening outside the territory of the Member State itself. This represents progress and is in itself a step forward, provided we give it our support and our action results in successful measures being taken.

(Applause)

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

Mr Broeks. — *(NL)* Mr President, as other speakers have said, the European Parliament has often dealt with the question of freedom of establishment for members of the liberal professions in the Member States and the related question of mutual recognition of diplomas, certificates and other evidence of formal qualifications. On this subject the Commission of the European Communities has submitted many proposals to the Council, and the European Parliament has issued many opinions. Neither this Parliament nor the Commission is to blame if nothing has been done to date. The question of lack of progress in the EEC will be discussed in tomorrow's political debate. One example of this is the way in which Article 57 of the EEC Treaty has been applied up to now and this in itself reflects the complete stalemate we have reached. One speaker has already pointed out that under Article 57 certain resolutions should have been accepted by the Council before the end of the transitional period. The transitional period lasted for 12 years. The Treaty came into force in 1957. It is now 1974 and to our great regret nothing has yet been done. I have already said this is not the fault

Broeksz

of the European Parliament, which also clearly defined its point of view with regard to the related questions, namely the interpretation of Article 48 (4), and Article 55 of the EEC Treaty. Parliament's interpretation of these Articles left no room for doubt.

But up to now the Council has not accepted a single proposal from the Commission and when the portfolio on these questions was handed to Professor Dahrendorf no one envied his job. At the time the Committee on Cultural Affairs and Youth was gratified to hear he intended to concentrate on one case, namely that of doctors, and organize a hearing on the topic with all organizations and institutions concerned. This hearing clarified the situation for him and enabled him to draw up a number of guidelines on the present resolution. These guidelines are of interest both to doctors and all persons wishing to see free establishment for the liberal professions, and they are fairly simple. Detailed prescription of training requirements should be kept to a minimum. The solutions proposed must not lead to any reduction in the quality of training. New developments in training resulting from progress in science and other fields should also be taken into account and there should be continuous consultation with practitioners and teachers. A logical corollary is the proposal to set up advisory committees to assist the Commission.

As I said, all these matters were submitted to the Council in a short but nonetheless important proposal for a resolution. If the Ministers of Education do in fact meet and accept this resolution, we may hope at long last to make a good start in solving a question beset with so many pitfalls. The Committee on Cultural Affairs and Youth has proposed a number of amendments which I hope will be accepted by the European Commission, firstly an amendment to paragraph 1, namely the proposal to give precedence to persons working in a group practice. In view of the provision of Article 57 (1), this will only be possible after the diplomas obtained have been recognized. Of course, there are other problems which are more easily resolved for a person working in a group practice—I have in mind language difficulties and familiarity with professional practice and custom—than for one person settling in a new country. I should like to hear the opinion of Mr Dahrendorf, who unfortunately was unable to be present when this point was discussed in the Commission, on the proposed amendment to paragraph 1. Perhaps he could pay particular attention to the words (in Dutch) 'ambtshalve erkenning von diploma's' (official recognition of diplomas). Such recognition will obviously have to be granted in the normal way. Perhaps the word 'ambts-

halve' (official) is somewhat ambiguous in this context.

If a short-term decision could be made with regard to persons working in group practices, this would be particularly welcome and we hope the Commissioner will adopt the proposal that we should receive suggestions on this subject within three months.

I think the amendments to paragraph 5 speak for themselves without further explanation.

Mr President, I have resisted the temptation to say anything about the importance of freedom of movement, recognition of diplomas, etc., as these subjects have already been discussed many times in our Parliament, and after Mr Hougardy's excellent introduction nothing more needs to be said. The important thing now is that with the help of these proposals we may be able to find a way out of the present impasse. Since it has been possible to make decisions concerning one profession, perhaps others will soon follow. But I do not wish to sound too optimistic. I understand that there are still many difficulties, for example the fear of competition, loss of income and misuse of Article 48 (4), and Article 55. I by no means underrate all these problems, but the difficulties must now be solved once and for all on a national and international level.

One interesting point remains—and it is a pity that Mr Rivierez has not yet put in an appearance—namely the question of whether the proposals the European Parliament was just now discussing, will have to be submitted to us again if the Commission amends its proposals. In general—although I have no right to speak for the Legal Affairs Committee—I feel that this will be unnecessary, unless—which I doubt—the Commission makes some essential amendments to its proposals. If this should be the case, I know that Parliament will be willing to consider these proposals again at short notice and issue an opinion.

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

Mr Helveg Petersen. — (DK) Mr President, it has been emphasized on all sides that this question has been on the agenda for many years. In some ways this is a classic example of the difficulty of finding a reasonable solution to the problem of public relations.

The fact is that in very many quarters—at any rate in Denmark—it was thought that agreement had been reached on the proposals discussed, and this is why the Community's policy in this field has been so much criticized.

What is more, there have probably been too many proposals and this has added to the con-

Helveg Petersen

fusion. So I am glad we are to have an explanation, and I think we should be grateful to Professor Dahrendorf for his attempt at clearing up the matter once and for all. What we are doing here is to endorse certain basic principles. We are not deciding on details but on certain basic principles which the Commission desires as guidelines. In my view the main point is that the proposals we arrive at are not based on quantitative criteria, on a long list of desiderata linked to a timetable, etc. There are bound to be differences between one Member State and another with regard to the detailed planning and content of the training programmes, but in practice there are many points of resemblance between the final qualifications giving access to what Mr Hougardy call 'identical fields of activity'.

It is very important not to lose sight of this fact as otherwise the field will become so choked with the weeds of bureaucracy as to become almost unmanageable.

These principles are based on the view that it would be quite wrong to start laying down definite and detailed conditions for training courses. No obstacle must be put in the way of making changes in the training courses in the individual countries. The future will see changes in all Member countries in all fields of education and training, including higher education. This matter will be dealt with later in the discussion on the Commission's Memorandum on educational problems in general. It would be intolerable to have a long series of tedious negotiations with each other whenever changes occurred.

The Liberal Group also accepts that the Commission is considering appointing but has not finally decided to appoint an advisory committee for each profession to which the question of recognition is relevant. The committee's task would be to advise the Commission, in order, as was emphasized, to raise the standards in the various professional fields.

I have nothing against this idea but would emphasize that these committees must be strictly based on the principles put forward here.

It is quite conceivable that many committees might not understand why the changes were made and take a highly conservative view of the matter, thus putting the clock back. It is therefore essential for the committees to represent a wide cross-section and the practitioners in particular. It is also clear that there should be cooperation which cuts across the individual committees' fields of activity as this would be of such current interest in connection with coming reforms.

Mr President, I can recommend the directives proposed by the Commission, with the addition of the amendments proposed by the Committee on Cultural Affairs and Youth.

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

Mr John Hill. — The European Conservative Group has come onto this scene rather late, since most of these matters started long before our countries joined the Community. We congratulate Mr Hougardy on the speed and clarity of his report. Like him, we regret that there is so little time available to consider the report and to consult and receive representations from professions in our countries. Therefore, we certainly support the criticism expressed by Mr Broeks concerning the rushed nature of our deliberations.

Notwithstanding these short-term objections, we welcome the Commission's fresh examination of this position of deadlock and the considerable initiative taken, for example in the hearing of the medical profession. We therefore support the committee's draft resolution and its proposed amendments and likewise—so amended—the draft resolution that the Commission is putting to the Council.

We noticed two basic changes in approach—first, the acceptance of the fact that professions differ very much one from another and cannot all be fitted into a common ideal mould. That has been demonstrated by the progress made by the separate European liaison committees listed on page 7 of the medical report. These committees have been actively considering all these problems for many years. The trouble is that they lacked any power of decision, and they are urging that progress should be made in the directives.

Secondly, we welcome the conception of an advisory committee for each profession where desirable. That is covered by Guideline No 5. I should make it clear that it is intended to have a separate committee for each profession that wants it. This is not made wholly clear in paragraph 6 of the English translation of the committee's draft resolution. Perhaps that can be picked up.

We believe that if progress in this very complex problem is to be made it is desirable to have regard to certain distinctions that exist and shape our policy accordingly. First, we would distinguish between the mutual recognition of academic diplomas *per se*, which is difficult, especially in the realms of higher education, on the one hand, and, on the other—to quote

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paragraph 16 of the report on the medical hearing—the mutual recognition of all academic and other qualifications necessary for access to and the practice of, in this case, the medical profession in a Member State. That is to say, for the purpose of the practising of a profession we wish to ensure that qualifications are good enough to justify the issue of a licence to practise.

We are not trying to measure the exact equivalents in academic terms, but we must always bear in mind that the prime need is to protect not only the public but the professions themselves from the damage to their reputations caused by incompetent practitioners. Within the educational world it is much more difficult—virtually impossible—to assess the relative values of diplomas and degrees gained in different universities. However, I think all that is better considered when dealing with educational policy.

It is important that the academic world in cooperation with the professional bodies should study and respond to new training needs of the professions as they arise. Those needs will not be static but will be changing. That is covered by Guideline No 3.

Secondly, we would distinguish between freedom of establishment for those already qualified and agreement on the training requirements for future entrants. Here we go into the controversy between the qualitative and the quantitative approach—a controversy settled, I hope by Guideline No 1, although I am bound to say I have some slight doubt as to whether broad comparability exists everywhere. At present, for example, there are gaps in certain professions. I only know a little about the veterinary sector. For example, veterinary training in the United Kingdom, if judged by EEC standards, would be found to give insufficient weight to the study of public food hygiene. Likewise, in Italy it might be said that by UK standards the veterinary profession falls a little short in its training on pharmacology.

A point to bear in mind is that the ground must be covered. It is in my view dangerous to go from one extreme to the other and say that quality control is enough in itself. We must see that there are no gaps.

Any definition of standards for final qualification presupposes some agreement on standards of entry to professional training. This at once poses the question of possible excessive numbers, of the *numerus clausus*.

How should we regulate entry, having regard first to the right of qualified school-leavers—

baccalauréat standard—to a place in higher education and then to the possible opening-up of national student grant schemes to qualified Community non-nationals? This is something on which one would like to hear the views of the Commissioner.

The third distinction we would draw is between self-regulating professional bodies and those professions that are controlled by the government. As Parliament will know, we in my country have a pattern of largely autonomous or semi-autonomous professions. This may be atypical. However, one must ask the Commission how they would define and reconcile the differing responsibilities, in relation to Community activities, of the national authorities regulating a profession, whether governmental or autonomous, of the long-established European Liaison Committees to which I have referred, and of the proposed new advisory committees.

It is self-evident that many problems will arise. It is sufficient if I touch on one or two only.

First, as Mr Pisoni mentioned, there is the question of professional discipline and the maintenance of standards of conduct. Each national state has its own methods of dealing with professional misconduct or negligence irrespective of whether or not the conduct complained of amounts to a breach of civil law. But how does the Commission envisage an effective surveillance by the professions' own governing bodies of the professional activities of their members outside their own country? This raises in my view a practical rather than a legal difficulty, but it is an important one.

Secondly, there is the problem of language, upon which Mr Broeks touched. Is it necessary or desirable that some members of the profession practising elsewhere in the Community outside their own country should have some minimum proficiency in language? Again, of course, it must vary with the professions and with the particular circumstances. It is scarcely possible to set up on one's own without knowing the language of the country in which one is practising. Here the Committee's amendment to enable someone to join a group practice abroad is of relevance, and the desire expressed at the doctors' hearing—paragraph 28—concerning a period of adaptation. We should like to know what further consideration has been given to these points.

As I say, Mr President, the European Conservative Group accepts the guidelines, particularly noting Guideline No 2, that Community solutions should not lead to any reduction in the quality of training in any Member State. We assume that this means the preservation of high

John Hill

national standards, and certainly not any preservation of the teaching and training *status quo* irrespective of the need for change. We think that Guideline No 6 is also most desirable, since it would manifestly be inequitable to discriminate against a member of a profession who succeeds in obtaining a salaried post in a Community country other than his own. This has a considerable bearing in the United Kingdom, since our National Health Service employs, gratefully, many foreign doctors.

To sum up, the European Conservative Group believes it important to achieve quicker progress in making a reality of the rights and facilities intended under Article 57. There is a need for speedier action and not just some action by the Council. But we temper this approval by emphasizing the overriding need for the fullest consultation with individual professions. The professions—those which are long established and historic, and those which are very new—have grown up to serve the public in their own countries and now, under the Treaty of Rome, to serve the public of the Community. These guidelines should facilitate this process. We hope they will, but we shall expect to hear of progress and to have the time to debate it.

(Applause)

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — Mr President, I am grateful for the opportunity to make a short intervention in this debate, and I take as my excuse for troubling this Parliament in this matter the long interest which I have taken in the subject matter which is before us today.

Paragraph 1 of the Commission's explanatory memorandum lists 13 professions. Of those 13 professions, one, the profession of the law, I started to practise 40 years ago and am still practising today. Eight of the others, on the medical side, are professions with which I was in close contact for three years when I was Minister of Health in England; and with the other professions, particularly those of architects and engineers, I have had close contact in my professional occupations.

There are two desiderata here, both valuable in themselves but, as so often happens, difficult only in their reconciliation. The first is that there should be a reasonable interchange of professional skills in the Member States of the Community—a sort of cross-fertilization. The second is that we should achieve this without any lowering of professional standards and qualifications with the consequent prejudice to patients, clients and customers for whom these services are provided.

That is a reconciliation easy to state but, of course, a good deal more difficult to achieve in practice. That being so, it is not altogether surprising that the time-scale in this matter has been disappointingly long. On the face of it, the position is very unsatisfactory—no finalization of any of the 40 directives covering 13 professions over a working period of seven years—and this constitutes the basis of the strictures which we are invited to pass, in paragraph 1 of the motion for a resolution. But I think in passing that we should have regard to the difficulties which the Council have faced over these years—in particular the discrepancies in professional structure and pattern both in different professions and in different countries. What I think is unfortunate is that after so protracted a preliminary process we should now have an acceleration of procedures which invites and, indeed, demands a consideration of these difficult matters with far less time than their consideration and, indeed, the public interest require.

The timetable of this matter is set out in Mr Hougardy's explanatory statement, in which we see that the opinion was required by a letter as recent as 22 March and that the acceleration was due to the circumstance that it is convenient for Ministers to meet on 2 May.

There are two drawbacks to this hustled procedure. First, Members of this Parliament are unable to receive the representations from interested organizations that they might expect to have, and, second, there has been insufficient opportunity for fully informed discussions in the Legal Affairs Committee of the legal complexities which here arise.

There are three general requisites for sustaining proper professional standards—first, a proper standard of qualification as the condition of entry to a profession and for its subsequent practice, with a system of registration for those qualified; second, a proper code of conduct to be observed by those practising the profession; and third, procedures for enforcement of the prescribed standards and code of conduct. These requisites are necessary alike for maintaining the standard of the profession and, of course, for the protection of the public. The basic aim of any satisfactory scheme of mutual recognition must be to see that these characteristics continue to be effectively secured in all Member States.

Against that background, I too find the guidelines on the whole appropriate, subject to certain amendments and observations. I welcome in particular the dual approach of seeking to avoid the prescription of detailed training requirements, whether quantitative or

Walker-Smith

qualitative, and at the same time seeking to ensure the maintenance of training standards and their prescription *pari passu* with new scientific and other developments. I welcome too the proposal for advisory committees, one for each profession. Here I find the amendments proposed in Mr Hougardy's report very valuable, especially their insistence on the participation in the committees of teachers and practitioners in the professions.

Three points merit further consideration. The first, enforcement, has already been touched on by Mr Hill. This I stated to be the third requisite for the maintenance of professional status and standards. It must include disciplinary procedures, including procedures for the elimination from the register of those entitled to practice of such people as do not conform to the prescribed standards. That is a necessary ingredient of professional status anywhere.

I too should like to know how this problem is to be met in the condition of mutual recognition. Perhaps we can be told whether the extranationals who are practising in another state will simply be subject to the indigenous procedure of that Member State or whether there will be special procedures designed to meet this need, and, if so, what they are.

My second point relates to the possible period of adaptation, which is referred to in paragraph 28 of the Commission's report on the public hearing into the medical profession. That says:

'There was a widespread expression of view in favour of a period of adaptation for migrant doctors so as to secure a sufficient familiarity with the language of the host country and the legal and social context in which they would be practising.'

But we are told:

'In the opinion of the legal services of the Commission, this would be discriminatory against migrant doctors and thus incompatible with the provisions of the Treaty.'

I hope that we may have the benefit of the full and reasoned opinion of the legal advisers of the Commission and not merely the conclusion to which they have come.

I say this because I believe that there would be general regret at having to accept that there is an insuperable legal impediment to the institution of an adaptation period in appropriate cases. I hope that legal opinion will include reference to the possible relevance of Article 56(1) of the Treaty, which, together with Article 66, contemplates the dispensation from the professions of this part of the Treaty where considerations of public policy or public health so suggest.

A period of adaptation is obviously desirable, particularly in the medical context, but not solely in that, because, for engineers, architects and others, there is a considerable background of local law and practice which needs to be assimilated before practice can safely and usefully be embarked upon. But in the case of doctors it is, of course, particularly important, the prime importance arising from considerations of protection of the public.

That being so, I invite this Parliament to agree that it would be undesirable that the possibility of an adaptation period be abandoned without a full study of the legal position, including, I hope, an opportunity for detailed consideration by the Legal Affairs Committee.

The third and last of these points arises from the proposed amendment to paragraph 1 of the guidelines, relating to group practice. This makes a condition that people should intend to participate in a group practice. What is not provided for is the situation in which a person gains entry on that condition and subsequently changes his mind. According to the wording of the proposed amendment he would then be fully established and entitled to practise, albeit on terms and conditions not within the original contemplation. I hope, therefore, that further consideration will be given to that point.

With those reservations I join in the general acclaim for this report, but I am glad to see from the letter of the Secretary-General of the Council to you, Sir, of 22 March, that the discussion of 2 May is likely only to be in the form of what is called a general policy debate, thereby—I would hope—leaving scope for clarification and improvement in respect of the sort of points to which I have sought to draw attention.

(Applause)

President. — I call Mr Rivierez.

Mr Rivierez, draftsman of the opinion of the Legal Affairs Committee. — (F) Mr President, I must first of all apologize to the Assembly for arriving late. I had not expected the matter to be raised at this time.

The rapporteur of the committee responsible has given you a general picture, and it is now up to the Legal Affairs Committee to express its opinion under the provisions of Article 44, paragraph 4 of the regulation.

What then is the opinion of the Legal Affairs Committee?

Rivierez

The Legal Affairs Committee approves the guidelines for the mutual recognition of diplomas contained in the draft resolution and for reasons which the rapporteur Mr Hougardy has no doubt already explained to you.

When studying this document, the committee instructed its rapporteur to emphasize to Parliament the importance it attaches to persons having obtained their diploma before the coordination directives are applied, these being intended to harmonize training conditions, and also—subject to certain conditions relating, in particular, to the minimum period of actual exercise of the profession in their country of origin—to have the right of free circulation within the Community in the form of freedom of establishment and freedom to render services.

The draft directives already submitted by the Commission in fact include provisions regulating established positions in this manner. Hence this is no new recommendation but a reaffirmation of Parliament's wishes on this matter.

But the Legal Affairs Committee considers it necessary to draw Parliament's attention to the legal scope of the *sui generis* act constituted by a Council resolution of the kind submitted. It should be remembered that from the legal point of view such a resolution by the Council is an act which lies outside the scope of those provided for in Article 189 of the Treaty and has no greater validity than that of a declaration of intention to adopt measures which, by the terms of the Treaty, can in our case only be adopted in the form of directives, as was in fact stated in the comments on the Council's draft resolution.

Although such a resolution cannot be legally binding, we must not overlook the fact that its adoption will have the great advantage of specifying at political level, and making public, an agreement in principle reached within the Council. The agreement thus reached ought to prevent the principles on which it is based from being called into question and allow the work to progress smoothly to its conclusion. The draft resolution laid before the Assembly does in fact constitute a general guideline, from which detailed guidelines can be worked out, but the Commission of the European Communities, which explained the matter to the Legal Affairs Committee through its representative must also explain to Parliament how it conceives future work on guidelines for the mutual recognition of diplomas.

As you know, there are now around 40 guidelines at the draft stage before the Council. Will these guidelines be kept in their present form? Will

they be examined in the light of the general guideline we are considering today, or will amendments to these guidelines have to be proposed by the Council?

I believe these guidelines will be unchanged, but it is clear that, should they have to be amended again, they would have to be submitted to Parliament.

Thirdly, the Legal Affairs Committee has declared itself in favour of amendments adopted by the Committee on Cultural Affairs and Youth, on the condition however, regarding the amendment to paragraph 1, that its rapporteur draws attention to the following point: for paragraph 1 of the draft resolution, the committee responsible has submitted an amendment which tends, as it were, to institute a transitional measure allowing, in the terms which it has put forward, for freedom of establishment to become an immediate reality, meaning that a national of a State of the Community settling outside his country of origin in another State of the Community will be able to exercise his profession provided he belongs to a group practice.

This amendment to the subject matter was favourably received by the Legal Affairs Committee. Such a measure could come into force as soon as the Council approves the Commission's proposals relating to the provisions implementing the principle contained in this amendment.

But Parliament's attention must be drawn to the text of this amendment, which contains two distinct points without this being explicitly stated. It refers at the same time to the recognition of diplomas, which is only a means, and freedom of establishment, which is the objective. Although these two concepts are related, inasmuch as paragraph 1 of Article 57 of the Treaty provides for the adoption of guidelines with a view to the mutual recognition of diplomas in order to facilitate the taking-up and pursuit of activities as self-employed persons, and while upholding the objective of this amendment, which is in complete conformity with the Treaty's aim and will result in its speedier accomplishment, a warning should be given about the text as it might confuse two distinct concepts.

The Legal Affairs Committee considers that, in the text of the amendment of the committee responsible, the words: 'to the mutual recognition of diplomas', ought to be deleted, as this question is not before Parliament.

Subject to the observations which I have just made, the Legal Affairs Committee approves the

Rivierez

draft resolution of the Council as a whole and the amendments adopted by the Committee on Cultural Affairs and Youth.

(*Applause*)

President. — I call Mr Maigaard.

Mr Maigaard. — (DK) I should like to make a few brief comments on the question under discussion. I shall do so on my own behalf, not on behalf of my Group, so I promise you they will be brief.

In my view we should be very concerned with the fact that the Commission has hitherto followed a line in the educational field which has resulted in 40 draft directives being put forward, none of which has been put into effect.

Hence there is some justification for saying that the line which the Commission has followed so far has been the wrong one as it has not led to any results. The tree is known by its fruit, and I think that we must ask ourselves, in order to learn from the experience, why the Commission's project has failed after 7 years of work. When one changes one's policy—and I see this as a change of policy—one has to ask oneself 'Where did we go wrong?', to be sure to follow the right policy in the future.

For my part, I consider that the main flaw in the Commission's policy so far, i.e. the one that resulted in the 40 draft directives, has been that it has tried to harmonize educational matters over an exceptionally wide field, down to details to which it should, of course, not descend, and that it has tried to work with these quantitative descriptions of the training courses, which, as far as I can see, are out of date.

I see the motion we are now discussing as an attempt by the Commission to get things going again, by restricting its aims—and it is certainly wise to do so. But I doubt whether this six-point programme and its consequences—it is, to be sure, not very precise and it is difficult to find any real substance in it—is the right approach, I mean whether it is an educational policy which can lead to results which will stand the test of practical application.

This is what I ask myself and I find it hard to discover the truth because the Commission, of course, stresses time and again—and quite rightly—that cooperation between the Member countries in the educational field must not lead to a reduction of educational standards. Nevertheless the present discussion on the medical training courses—recognition of medical certificates in the different countries—shows how difficult it is to get down to grass roots

because there is a widespread opinion, at any rate in Denmark, that, even if this is a new approach, the policy the Commission wishes to put into effect in the medical sphere will lead to a lowering of standards, at least as regards the general practitioners.

I therefore consider that, now we are taking a new line, we should ask ourselves whether we have found the right starting point and whether it is one which can lead to results.

For my part, I think that the task of the Commission and the Communities in the educational field should be to bring about a certain amount of coordination, while respecting the countries' own legislation. This coordination must be based on the countries' intentions. It is these that are to be coordinated and we must accept the countries' own valuable legislation and then see whether starting from this point, some degree of voluntary coordination is possible in the educational field.

I should therefore like to end by referring to Annex I to Document 23/74, which is a short summary of the Danish Government's viewpoint, and by emphasizing that, if we wish to achieve anything in this connection, we must respect the countries' own legislation in this field.

President. — I call Mr Brewis.

Mr Brewis. — Mr President, I certainly agree with what was said by our Danish colleague Mr Maigaard. When we have 40 proposals not adopted there must have been something wrong with our approach up to now. For this reason I welcome the guidelines laid down by the Commission in Document 23/74, which we are discussing. Each Member State in Europe is rightly zealous that the standards laid down nationally should not be reduced. It therefore seems vital to me that we should give each profession a European council of that profession, concerned with supervising professional standards.

There are far too many bogus certificates floating around which have been obtained by correspondence courses or through non-existent universities. I am particularly concerned that the quality of a diploma or degree of formal qualification should be of a particular high standard.

We have to avoid, on the one hand, the eternal student who has put in hours and hours of study and has still not reached any proper level. Equally, we should be suspicious of the brilliant student who has qualified only in a limited sphere.

Brewis

Here, I think particularly of the nursing profession. In Britain we are sure that our examinations for that profession are very good and that anyone who passes them is sufficiently qualified. But such a person is unable to practise even in English-speaking countries like Canada, because the members of the British nursing profession have no experience of midwifery. Therefore, laying down training qualifications is particularly important for the mutual recognition of diplomas.

I notice, in the motion for a resolution of my colleague Mr Hougardy, particularly paragraph 3. He seems to deprecate the prescription of detailed training requirements. I am not sure that I agree with him. If he speaks again I should like to question him further on this point. I think that training standards should be laid down. This is one of the most important points of the proposed advisory committees.

Apart from those brief remarks, I am very much in agreement with Mr Hougardy's report. *(Applause)*

President. — I call Mr Dahrendorf to state the position of the Commission of the European Communities on the amendments adopted by the Parliamentary Committee.

Mr Dahrendorf, Member of the Commission of the European Communities. — *(D)* Mr President, first I should like to express my thanks on behalf of the Commission that the House was prepared at such short notice to deal with this important report and the next report. When, as I hope, the meeting with the Council is held on 2 May, I think it essential for us to know Parliament's intentions, and perhaps I may take this opportunity of assuring you that I shall naturally inform the Council of what is decided in this House and will make sure it plays a part in the discussion by the Council of Ministers.

At the same time I should like to thank the rapporteur, Mr Hougardy, and all the speakers who—allowing for certain slight differences—were in favour of the Commission's proposals. Of the files which I myself found when taking up my office as Member of the Commission responsible for Research, Science and Education, this one on the mutual recognition of diplomas is undoubtedly of special interest. It is one of the topics of direct interest to people in Europe. However, I should like to begin explaining my attitude and that of the Commission to the report and to what has been said here with two comments which seem to me important for an understanding of the matter.

The first comment is that Articles 48 ff., 52 ff. and 59 ff. of the Treaty of Rome are basically very limited in scope, one might almost say depressingly limited. They relate to freedom of establishment and the freedom to provide services in the European Community and as such they do not include most of the questions with which many young people in Europe are concerned when they ask what must be done to give them freedom of movement from the time they leave school until they start work. Basically, the number of those who are practically affected by these guidelines, so often quoted here, is limited; in any case very much more limited than the number of those who, let us say, want to study in another country, want their period of study recognized, want to have individual intermediate examination in their course of study recognized, are seeking academic recognition of their diplomas or want to do part of their practical training in other countries before starting work. The wider subject of mobility is unfortunately left open by the Treaty of Rome. That must be said and understood before the importance of the subject can be properly assessed. We still have an opportunity today of discussing the fact that the Commission has for this reason started a sort of parallel action. On the one hand it has taken up the subject we are discussing here and on the other, as part of our proposals on education, it has indicated what can be done in the initial stage to ensure mobility in a more comprehensive sense for young people in Europe.

That is the scope of the subject. It is concerned with freedom of establishment and little else.

My second introductory comment is that this is undeniably a typical case of a bogged down file. I can say in reply to Mr Maigaard that the mandate given to the Commission by the Treaty of Rome leaves no room for doubt. This mandate imposes on the Commission the task of proposing for the individual vocational sectors guidelines which can become law in the Member States. This mandate had to be carried out by adopting a long list of individual guidelines.

At the same time, Mr President, I do not want to conceal from you and the Members of the House the situation as it actually is. My colleague Mr Haferkamp once told me how it was when he himself took over this file in 1967 when his officials informed him that the decision on these directives would probably be taken in a few weeks. I heard the same thing when I took over this file myself in 1973. And I suspect that, if no attempts are made to tackle the problem afresh, if no attempts are made to take small steps that have hitherto not been taken, my successor will hear the same thing again in 1980.

Mr Jahn. — (D) Very true!

Mr Dahrendorf. — (D) I would like to add that I am not saying that the reason why a decision has not been made is a certain lack of decision-making power on the part of the Council of Ministers, or a tendency not to apply the principles of majority voting. That is not the case. The reasons can be found in a series of factual difficulties which have emerged and which, even before the enlargement of the Community—would have made it very hard to ensure a resolution by a majority.

There are a good many real problems. Let me mention just two which have concerned me in particular. Firstly, much of what has been said about important professions has aroused suspicion rather than approval in the professions themselves. When I took over the file I discovered that it was widely believed that the Commission was again attempting, as it is often said to do, to interfere in politics from Brussels, which would be of no real use and only do harm.

This seemed to me to be a widespread opinion, which I regretted but had to accept. And this is why I considered it necessary last year to organize a public hearing of people with an interest in medical qualifications, simply to thrash the matter out and to make people realize we are not just penned in our offices, hatching out something which will ultimately be harmful, but that an attempt is being made, in collaboration with those concerned, to find viable solutions.

Secondly I noticed one particular approach to the mutual recognition of diplomas which is bound to come up against a brickwall. This is the one I would not call qualitative or quantitative but inductive, in the sense that attempts are occasionally made to produce synthetically, as it were, an ideal training programme for certain professions, in particular academic ones, which is an amalgam of all the separate elements.

This approach has not got us much further. It has led to endless technical wrangling about how far such and such an element should be represented in the various educational streams, in the theory and practice of specialized fields. And of course it has cost us all those hours without our coming to a result which could be immediately applied in the Member States, without our coming to a result which—to put it bluntly—would be politically acceptable to the Member States, to the Community of the Six as well as to the enlarged Community which fortunately came into being in 1973.

It therefore seemed proper to me to suggest that the Commission should try an approach based on certain simple guiding principles. This is my confirmed belief, and it is now shared by the Commission. Mr Rivierez is quite right in pointing out that these simple principles do not have the same legal validity as guidelines, but are rather principles serving as political guidelines for further work in Council committees and which may help us to overcome the difficulties we have experienced so far. This is how I also view the guidelines. This is the Commission's view of the matter and is the answer to the questions put to me about the nature of these guidelines.

Now, I would say that two of the six guidelines are of particular importance and this, so to speak, is borne out by the other four. We have first of all the first guideline, in which the subtractive procedure is opposed to what I may term the inductive one. In other words, it is here being clearly stated: let us assume that qualifications are broadly comparable, inasmuch as this is the pre-condition for the establishment of university graduates practising liberal professions. This broad comparability exists, although we may have to lower our sights here and there. We will go into this in detail. But this is a change in view-point which I hope will bring us considerably further along the road.

And the second thing of importance to myself and the Commission is the fifth Guideline, or the bald statement: let us assume we cannot make any progress unless we consult those concerned, unless we ensure that those who are occupied in the teaching and practice of the various professions regularly take part in the decisions which are made. This is what the advisory committees are for.

Certain principles must be borne in mind here, for instance the principle that European regulations cannot be allowed to lower the requirements. It must also be borne in mind that European resolution must not be an obstacle to reforms in individual countries, in which I include the attempt to consult practising and teaching representatives of the professions and to extend the whole thing to salaried workers. With regard to the advisory committees I am glad to take this opportunity of providing the clarification desired by certain speakers. The idea is, of course, that for every profession the possibility is being sought to give the practising and teaching representatives of this profession a hearing and let them take part in the process leading to the extension of the right to establishment. Thus we are not thinking about a single advisory committee here but of a whole series of them.

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We must see how this will work out in practice. If on 2 May the Council should decide to accept these guidelines this would in my opinion be the first step towards leading this debate out of its present impasse and, as I see it, the first step towards the solution of many problems. It would not be the solution to all of these problems, and I must say to Sir Derek Walker-Smith that the three problems he mentioned, in particular the first two, would not be solved by these guidelines. They remain unanswered, a solution for them still has to be found, but with the machinery created by the guidelines themselves. Of course, regulations must be made to ensure the maintenance of standards and the necessary enforcement procedures. However, the principle of this proposal implies that such regulations should not come from the Commission alone but that appropriate methods should be sought in collaboration with an advisory committee. I myself would consider it quite improper to dictate, on the strength of my political position in the Commission, detailed regulations to be discussed at some later date with those practising and teaching the professions.

I would like to bring up the question of the period of adaptation. It is a fact that according to our legal service every additional demand made in one Member State on persons belonging to another State is discriminatory and is not in harmony with the Treaty.

This is why our legal service believes that there must be no regulations making any additional demands on nationals of other Member States. At the same time it is reasonable to point out that the practice of certain professions presupposes, for example, a knowledge of the language and a knowledge of certain legal regulations, and even certain customs in the countries in which one practises. At discussion level I would be most unwilling—if I may speak frankly—to submit a document appearing to perpetuate a certain point of view. I think we should continue to discuss this question in the appropriate committee and in the other committees, as it is a question which there was good reason for bringing up at the doctors' hearing.

I had myself thought—and here I come to the amendments proposed by the committee and the rapporteur—of adding to the guidelines a few 'horizontal' proposals (cutting across all professions) concerning administrative difficulties which still confront members of liberal professions seeking establishment. I had, for example, thought of introducing a proposal making it clear that freedom of establishment is not subject to any conditions of nationality. It is the Commission's view that, within the European Communities, nationality must not be an impe-

diment to the establishment of independent workers. I have been informed that the European Court of Justice has before it a case involving this important question, in which a Member State has requested the Court to make a statement of principle about whether the provisions of the Treaty constitute directly binding law as regards conditions of nationality for the establishment of independent workers. The Commission obviously will not intervene with a proposal while a case is still *sub judice*. We await its outcome.

Among these horizontal proposals, which cut across the various professional fields, I would also include the proposed addition to Article 1, i.e. the proposal concerning the activity of independent workers in group practices, with the implication—which I well understand—that a member of a group practice is, as it were, automatically subject to control through his colleagues, which makes it unnecessary to lay down further conditions for establishment. I readily confess to sympathy with this proposal. The Commission considers it quite conceivable that preference should be given to such a proposal. Our legal service has told me—and I believe Mr Rivierez mentioned this in his speech on behalf of the Parliament's Legal Affairs Committee—that a decision of this kind would be a sort of transitional measure; in other words, before a final regulation has been laid down, one would say in such a case: of all those who practise a certain profession, those who work in group practices can take advantage of their right to establishment in Europe. We should take any step which is in the right direction and this is one.

The only reservation I would make is this. The aim of the guidelines was to determine what few simple principles should guide us in our future attitude towards the solution of this issue. Now the additional proposal made here is basically not so much a principle of this kind as a specific transitional measure which can be taken in this field. I would personally find it more appropriate for this amendment not to be included in the guidelines but to be passed along with the guidelines and at the same time as a resolution of this Parliament instructing the Commission—as stated in the amendment—to make its proposal on this measure within a certain time.

From the point of view of form I would therefore consider it more useful for the guidelines not to be encumbered with this regulatory proposal, but for this resolution to be made independently of them but at the same time, i.e. today, as it is directed essentially at the Commission, instructing it to make proposals for

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procedures implementing these transitional measures within three months. However, should Parliament be of the opinion that this amendment ought to be included in the guidelines, I would ask for this amendment to be included in the guidelines as an independent item and not annexed to the very important first principle, which in its very simplicity is one of the basic principles of this guideline.

No doubt the rapporteur, Mr Hougardy, will have something to say about this. It has also been proposed to reiterate in No 5 that the advisory committee should include practitioners and teachers. The Commission is in complete agreement with this. This has always been our aim and it is useful to make a special point of repeating it.

I am aware, Mr President, that very little time was allowed for preparing the debate on this proposal. Yet it does seem important to me to take a step forward within a few weeks. I am sure this is not the last debate on this issue, but I am equally certain that if the Council passes the guidelines on 2 May, we will have taken a step to set the wheels in motion, which is what Mr Pisoni rightly described as the first great necessity.

(Applause)

President. — I call Mr Hougardy.

Mr Hougardy, rapporteur. — *(F)* I shall be very brief. I shall not reply to all the speakers but only thank them for their kind words. I might add that they should also be addressed to all the collaborators of the Committee and its Chairman, Mr Broeks. I think everyone has fully understood the problem. I think it must be plainly stated that free circulation has always existed in Europe. As long as one is not a habitual criminal, possesses a passport, and is not charged with any crime, one can move around freely in Europe and every country in the world. Now, in this case, what interests us is quite different, that is freedom of establishment and the freedom to render services, and it this particular problem we have been trying to solve for so many years. Freedom of circulation without freedom of establishment does not in fact mean anything at all, seeing that young people wish to move about more and more and to use their talents and qualifications obtained in the country of their choice.

That is Europe, and that is what young people want.

When a few moments ago Commissioner Dahrendorf rightly deplored the lack of clarity in

the articles of the Treaty and their limited scope in this matter, we could not but agree with him. But what Europeans and, I repeat, young people are hoping for most of all, is to be able to settle where they like.

The Committee, meeting under the Chairmanship of Mr Broeks, has thus, at my instigation, taken the liberty of making a suggestion, of proposing this idea of group practice with a view to making things easier. For we must take a realistic view of the matter. All the professions which concern themselves with our every-day life—whether in questions of health, or social welfare, under which I include town planning and the building and expansion of cities—increasingly find themselves face to face with specialist problems. One man alone is no longer capable of resolving all the problems of modern society.

It is with team spirit, in this group work, that major problems are solved, and those who still want to work alone have to consult the groups. Even lawyers, Mr President, in practically every country in Europe, set up group practices, and not only in their respective countries, but with associations in other countries of the Community.

That is why I have made this suggestion.

The Committee on Cultural Affairs and Youth have adopted the amendment with which you are familiar.

I would like to take advantage of the occasion to thank Mr Rivierez for the report which he prepared in record time, and to congratulate him in particular on the fact that the lawyers were able to issue statements which were free from legal jargon.

For myself, Commissioner, if you think it makes your task easier to add this amendment to another point in the text, I see no objection and we could come to an agreement. You will however agree—and I do not consider you all responsible for this—that we have very little time to do all this work. If we had been able to meet and confer, the discussion we are having now would not have taken place.

I trust that the Chairman of the Committee will agree with me, as owing to our working conditions I have not been informed of his opinion.

This, Mr President, ladies and gentlemen, is what I wanted to explain. Before ending this very brief speech allow me to thank my colleagues once more and to request the Commissioner to inform the Committee on Cultural

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Affairs and Youth of the outcome of the meeting on 2 May for which we were obliged to make such a strenuous effort.

I also hope that the President of the European Parliament will be kept informed of what happens on 2 May, and that he will then be kind enough to inform Parliament at its next part-session, for there are, I repeat, hundreds of young people who are waiting to hear what this meeting of the Ministers of Education on 2 May will decide.

I hope not only that this meeting will actually take place and that it will be fruitful, but that we will be informed of the decisions taken so that we may take any necessary steps. Should the outcome be negative, we would be forced to put an oral question with debate to the Council.

Thank you, Mr President, thank you, Commissioner.

(Applause)

President. — The general debate is closed.

We shall now consider the draft Council resolution.

I call Mr Broeks.

Mr Broeks. — *(NL)* Mr President, I shall be brief. I should like to associate myself with Mr Hougardy's last question. I have no doubt Mr Dahrendorf will keep us informed on the results of the consultation with the Ministers of Education which is to take place at the beginning of May. You too, Mr President, and the entire Parliament will no doubt be kept informed on this important matter. As far as the amendment to paragraph 1 is concerned, I have no objections to either of Mr Dahrendorf's ideas. However, if the original amendment arising from this motion for a resolution is accepted, the Legal Affairs Committee's proposal to delete the words 'ambtshalve het diploma erkend en' (recognition of degrees and diplomas and) could be put into effect at the same time. These words are no longer necessary and, moreover, if we delete them, we shall not run into legal difficulties. Thus we would meet Mr Dahrendorf's wishes and Mr Rivierez' request. I had already mentioned that in my view official recognition of diplomas seems to be an extremely difficult matter. We must now decide upon a transitional measure as quickly as possible and it is better to avoid difficulties.

President. — But the difficulty is that I am the only person with access to the text the Committee submitted to Parliament. We can only

make decisions on the text to be found on the right-hand side of pages 7 and 8. However, I would prefer to put the motion for a resolution to the vote in its entirety, in view of the fact that the Parliament and the Commission have come to an agreement on the basis of which the latter accepts our texts as regards what was said about the insertion of the second section of paragraph 1, and on the assumption that it has been agreed to omit the word 'ambtshalve' (official), etc. If this is the case we can, on this basis, vote on Parliament's motion for a resolution.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — On a point of order, Mr President. It is, I am sure, my stupidity but I am not quite clear how we are proceeding. Do I understand that you are putting to the House paragraphs 1 to 9 inclusive? If this is so, paragraph 8, which is the relevant one, is to be accepted too. That paragraph refers to various amendments to the original Commission text. Am I to understand that we are voting on paragraphs 1 to 9 inclusive? If so—I am not objecting—it means that the amendments included in the annex to the resolution are automatically adopted as they stand.

President. — I call Mr Broeks.

Mr Broeks. — *(NL)* I believe this is so, Mr President. However, there is an exception. We have proposed—and I believe the entire Parliament is in agreement with this—that the words 'ambtshalve het diploma erkend en' (recognition of degrees and diplomas and) should be deleted in the amendment to paragraph 1. These are the only words to be deleted on the suggestion of the Legal Affairs Committee. The Committee on Cultural Affairs and Youth is in complete agreement with this. If this is done, only the order of the amendments to the motion for a resolution will be altered.

President. — Does the sentence now read satisfactorily, Mr Broeks? Would you read out to us what it now says?

Mr Broeks. — *(NL)* It would now read: 'Onverminderd het bepaalde in de voorstellen voor richtlijnen betreffende de vrijheid van vestiging en behoudens de in de verschillende Lid-Staten van kracht zijnde bestuursrechtelijke regelingen of beroepsvoorschriften, wordt de vrije vestiging toegestaan van personen, die anders dan in loondienst,...' etc. ('Without prejudice to the provisions in the draft directive on freedom of establishment and subject to the internal

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administrative and professional rules of the individual Member States, freedom of establishment shall be automatically given to persons,...' etc.).

President. — This then is an improvement of the text which tallies with the opinion of the Legal Affairs Committee and this amendment has I think, also been adopted by the Commission. Mr Scott-Hopkins is right in thinking that if we adopt the resolution, including paragraph 8, we would also be adopting the text to be found on the right-hand side of pages 7 and 8. However, following the consultation between the House and the Commission, the addition to paragraph 1 should be inserted elsewhere. Furthermore the words 'ambtshalve het diploma erkend en' ('recognition of degrees and diplomas and') should be omitted.

Does Mr Scott-Hopkins wish to say anything else on this point?

Mr Scott-Hopkins. — Let me make it quite clear, Mr President, that I am not disputing or arguing whether it is right or wrong. That is not at all the purpose of my intervention. I am not quite clear, however, how we are doing this. There is nothing in front of the House. There is no amendment before the House. We are invited either to accept or reject the text before us. I am not saying that I disagree with this, but after our recent debates and discussions over the years in this Parliament I thought that at last we had established that we had to have a text in front of us so that we could understand what we were doing.

There is nothing in front of us other than this document. Either we reject paragraph 8 or we do not. If we do not reject it, then, as I understand it, the annex as it appears here is accepted — unless we have an amendment accepted by you, Mr President, and translated into the five other languages.

I am not trying to be difficult, but it is too easy to slip around the byways, and by the time that has been done we do not know what we are doing. This is why I asked the question in the first place. I simply am not clear what we are trying to do.

President. — I call Mr Broeksz,

Mr Broeksz. — (NL) Mr President, in terms of procedure I think Mr Scott-Hopkins is correct. We are in a particularly difficult situation on this occasion. We were only able to discuss this matter once in the Committee. We were unable to obtain the Legal Affairs Committee's written

opinion and had to approve it in its oral form. Strictly in terms of procedure, Mr Scott-Hopkins is right. But as chairman of the committee, I have no objection to accepting the amendment to paragraph 1, without placing it elsewhere in the text, and deleting the words objected to by the Legal Affairs Committee. After all, Mr Dahrendorf has been able to take due note of the objections raised by the Legal Affairs Committee. He knows that Parliament supports these objections. If we accept the text as it stands, I am sure that Mr Dahrendorf will act wisely.

President. — I call Mr Dahrendorf.

Mr Dahrendorf, Member of the Commission of the European Communities. — (D) Mr President, I would only like to say that, as I understand it, your proposal is that the text should be accepted as it stands, but that at the same time the question of where this text is to be placed should be left open.

Please allow me, merely for the sake of clarity, to add a footnote. I think there is a very serious mistake in the German text which reads 'nicht selbständigen Tätigkeiten', whereas the French version has 'non salariées', i.e., 'selbständigen'. The German text must be corrected at this point.

For the rest, as I said before, I have understood that the text should be accepted as it stands, but placed in its proper context—a new procedure should be devised for this.

President. — I call Mr Cifarelli to explain his voting intentions.

Mr Cifarelli. — (I) Mr President, I wish to make an explanation of vote. Now that the Parliament is about to vote on a text which has given rise to so many doubts, I intend to vote against it. I shall do so, because it is not a question of where the amendment is placed: as soon as the expression 'd'ufficio' ('official') is omitted from this text it becomes what Italians call 'hot air', that is to say, it will not lead to any real progress. Since I oppose this last-minute amendment, I will vote against the motion for a resolution.

President. — Does anyone else wish to speak?

We shall now consider the motion for a resolution tabled by the Committee on Cultural Affairs and Youth.

I have no amendments or speakers listed.

President

Does anyone 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. *Commission Memorandum on education in the Community*

President. — The next item is a debate on the report drawn up by Mr Schulz on behalf of the Committee on Cultural Affairs and Youth on the Memorandum from the Commission of the European Communities to the Council on education in the European Community (Doc. 52/74).

I call Mr Klepsch, deputizing for Mr Schulz, rapporteur, who has asked to present the report.

Mr Klepsch, deputy rapporteur. — (D) Mr President, ladies and gentlemen. On behalf of the Committee on Cultural Affairs and Youth, I should like to explain briefly why we are submitting this motion for a resolution on education in the Community. We consider the Memorandum from the Commission to the Council of great importance. It forms one of the corner-stones for the next conference of Ministers of Education scheduled for 2 May 1974. We thus believe it a matter of urgency to state our position in the matter. But this requires a few preliminary comments.

First of all, we would like to express our sincere thanks to the Commission for the Memorandum. This is a document produced in a relatively short time, which stresses the role education plays in the development of European unification. We are equally pleased at the echo education and the questions occupying Commissioner Dahrendorf have found in this House, the Committees and the Council. We are aware that the phase of inactivity in numerous political questions—and we welcome this side effect—has led the Council to take initiatives in matters where this is currently feasible. We are pleased that the Commission—we congratulate Mr Dahrendorf in particular—has grasped this opportunity and has in a short time submitted documents which can introduce and accompany these progressive measures.

Parliament was not to be outdone, and so the Committee on Cultural Affairs and Youth and this House have endeavoured to state their position on the matter in very little time, as they did on the previous Memorandum.

We had, however, expected the Council to consult Parliament on this important and extremely large question of education, at least voluntarily, and we regret that this was not done.

But the Council submitted this Memorandum to Parliament simply for information. As soon as this was known, the Committee on Cultural Affairs and Youth requested authorization to draw up a report. We did this. Our wishes are in full accord with those of the Commission, which expressly supported our move. There was little time available to comment in detail on the extremely valuable suggestions the Commission included in its Memorandum. However, the Commission's ideas can serve as guidelines for improved and more thorough discussion at a later date.

Perhaps I may add here that this Memorandum was also submitted to the Economic and Social Committee, but that this body was not able to comment on it by 2 May. I should like to state quite clearly that there are many links between education and policies in other sectors in each country. Similarly, in the Community, education must have links with Community policies in other spheres. Strands of educational interest and activity already exist in relation to such policy areas as environment, industry and social affairs. In the future these links can be further developed, for example, in the context of regional policies, where educational opportunities and infrastructures will necessarily be significant among the range of considerations to be taken into account.

In this Memorandum, the Commission has selected a number of fields in which it considers Community action possible and useful. We agree that it would be unrealistic to harmonize or coordinate the educational systems of the various countries, and the Commission hence logically proposes in its first programme main fields in which pragmatic measures would be valuable and worthy of support.

I should like to draw special attention to paragraph 11 of the Commission's Memorandum which stresses the pragmatic method. The Commission has already looked into three groups of questions in particular; firstly improving mobility of teaching and research staff and students, and solving the problem of equating academic qualifications, secondly, educating the children of migrant workers, and thirdly, creating a European dimension in education.

The Commission emphasizes that the collaboration of teachers and other persons responsible for education in the various countries is important for the implementation of this programme.

¹ OJ No C 55, 13. 5. 1974.

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A few comments on each of these questions. As far as mobility in education is concerned, the Commission says in paragraph 26 of the Memorandum that 'at present there is internationally a growing number of organized schemes for enabling pupils, students, teachers, young research workers and academic staff to visit other countries. Within the Community, however, there are many gaps in the coverage and many practical and financial problems involved in operating the schemes successfully'. It is obvious that Mr Hougardy's report on general guidelines for the mutual recognition of qualifications led to lengthy discussion. But even leaving previous discussion out of account, we agree with the Commission that action is urgently required to remove these restrictions on mobility in the Member States so that our teachers and students can find out what is possible or will soon be possible in a Europe moving towards unity.

To gain accurate information on this mobility for students in the Community—i.e., on the mutual recognition of academic qualifications and the varying systems of admission to University—the Commission now proposes to hold a hearing at the end of the year to discuss the problems encountered by academics, students and educational administrators.

Secondly, the Commission proposes to promote mobility of teaching staff in primary and secondary education by financing pilot schemes, and intends to hold a conference on mobility in secondary education in 1975.

Before holding a conference on cooperation in higher education, the Commission also intends to analyse the situation in this sector together with representatives of the higher education world. To encourage the exchange of experience, the Commission will shortly submit to the Council a report and proposals to promote mobility of educational and youth administrators. This is an extensive programme, and carrying out these measures will certainly provide us with a basis for further pragmatic steps to be taken. And I am most pleased that the Commission has expressed most realistic ideas to this House as regards the timing of the measures.

To turn to the second main field, the Commission has brought the education of the children of migrant workers to the forefront. It is certainly correct to state the necessity of reintegrating the children into the educational system of their original country as well as integrating them into the educational system of their country of residence. Here the Commission proposes that the newly introduced aids from

the Social Fund to improve the living conditions of migrant workers and their families also be used for educational programmes. An *ad hoc* group on migrant workers and a working party in the framework of the consultative committee for the free movement of migrant workers will study these questions.

I should like to add one comment on this main field: the term migrant worker used here is to be understood in the broad sense, as the Commission clearly states in paragraph 40 of its Memorandum, since Article 40 of the EEC Treaty provides for the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment. One important aspect of this provision concerns the educational rights and opportunities for the family of the migrant worker as a whole. There are many particularly difficult questions involved here, for example the unequal opportunities for the children of migrant workers. But there are also many migrant workers from non-Member States, which raises the question of how unequal treatment can be avoided.

We even run the risk of establishing three categories of migrant workers in the Community. I am referring here to the last negotiations of the Joint EEC-Turkey Committee. For apart from the migrant workers I have described in the restricted sense, we have migrant workers from the Associated States working towards Community membership within a certain time-limit, who should have the same rights as workers from Member States. Then we have the migrant workers from non-Member States. The question we have to face is how to avoid too great social and structural differences in treatment. This is why I think it most important for the Commission to check these questions carefully.

In the third place, the Commission has expressed an opinion on creating a European dimension in education. It has stressed measures to encourage the learning of foreign languages, as the inability to understand certain languages hampers both professional and cultural mobility within the Community. We have debated this question in this House and in the Committee of this House so often that I will not go into it any further. But it is quite certain that the solution of many problems will depend on encouraging the study of foreign languages, second and third languages within the Community, as far as possible. The Commission has made a whole series of proposals on the matter. It has also pointed out that European studies, i.e. the study of Europe in the broadest sense,

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must be integrated into curricula. The Committee on Cultural Affairs and Youth considered more energetic measures to develop a common European historical awareness particularly important.

The Commission has also undertaken to promote collaboration between higher education institutions and to support the extension of the idea of European Schools, which we have had for almost 25 years. The Committee points out on this issue that it wishes to see measures included such as the efforts made by the European University Institute in Florence, which it is hoped will open in the autumn of this year, and the College of Europe in Bruges.

We are particularly grateful for the experience gathered by the European Schools at various places, and hope that this will be included in the study as far as possible. We naturally regard the learning of other foreign languages with some reserve, as discussion in our Committee revealed. It is quite possible that a 7th, 8th or 9th language will be added in the enlarged Community. The European Community will then progress, as the Press has humorously noted on a few occasions, to an industrial zone for languages. Perhaps I may be allowed to broach the question—without giving a definitive answer, but just to have raised it—whether we should not seek a different solution for the future, since association will definitely bring us two or three more languages. I just wanted to make this comment as the result of discussion in the Committee which is not reflected in the written report.

I should now like to comment on the Working Party of Senior Officials established by the Ministers of Education, referred to in paragraph 17 of the Commission's Memorandum, and on the report it has drawn up to be reviewed by the Council in the near future.

The Commission's Memorandum takes account of the recommendations contained in this report. But perhaps we may put the question to the Commission—this also arises from our discussions in the Committee—as to what progress has been made with regard to the setting-up of a European development centre for education as proposed by Mr Guichard. The Committee considers it important that this question be included and that it be given the attention it deserves in both the Council's and Commission's deliberations. As you know, the Ministers of Education stated the necessity of achieving European collaboration in educational matters at their last conference on 16 November 1971. The French delegation then advanced proposals for such collaboration and ways of achieving it.

These were intended to close the existing gap between collaboration in education and that in economic and social affairs. I should like to congratulate the Commission for not only including the most important proposals in its Memorandum, but also stressing them in its draft decision to be submitted to the Council of Ministers of Education. We are, therefore, gratified that the Commission has added a draft decision on the setting up of a European Committee for Educational Cooperation.

On behalf of the Committee, I should like to submit a few amendments to this draft decision. We have already discussed them with the Commission, and I believe there was complete agreement on the proposed amendment to Article 9.

President. — I would remind you, Mr Klepsch, that your speaking time is limited to 15 minutes.

Mr Klepsch. — (D) I have already finished, Mr President. We have thus decided, with the Commission's agreement, to propose the amendment to Article 9.

As far as Articles 3 and 9 are concerned, the Committee considers the involvement of the European Parliament essential. We have thus included this in the draft decision.

Finally: we could not agree with the Commission's ideas on tactical and technical considerations, and must insist on Parliament maintaining the position it deserves in further developments.

As far as Article 4 is concerned, I think we have reached agreement in so far as we have agreed to the Commission's proposal on the number of members, although we considered it rather high; we allowed ourselves to be persuaded. However, we attach great importance to the inclusion of two experienced representatives to be appointed by the Governing Council of the European Schools.

I am quite sure there are many valuable points which I have not been able to mention, but in my opinion, this is a most important paper, and I should like to make my own task easier and go over immediately to Mr Laban's amendment.

I am most willing to accept this amendment. I shall vote for it—and I say that in my capacity as rapporteur—and consider it a valuable addition to the whole.

Mr President, allow me to say in this regard; we have already made progress. We congratulate the Commission and especially Mr Dahren-dorf on the speed with which they have drawn up the plans that are workable today, and we ask them to continue on these lines.

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I hope that Parliament will adopt this Memorandum, like the Committee on Cultural Affairs and Youth, which approved it unanimously.

(*Applause*)

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

Mr Helveg Petersen. — (DK) Mr President, I should like to begin by expressing the Liberal Group's appreciation of the document submitted by the Commission. We now have a really good basis for a continuous debate between Parliament and the Commission.

I would say that the proposal to set up, on a European basis, a committee for cooperation between the educational systems seems to be a reasonable one. It is important to be able to assemble information about what is going on in the different countries and thus create a basis for a continuous debate on questions of interest to the European Community. This committee is to advise the Commission with regard to the progress of cooperation in the whole field.

There is one comment which I think is sound and which Parliament has added as a suggestion, that the committee should also advise Parliament. It is so important for Parliament to be involved in the discussions that the idea seems to be a good one.

In many quarters, especially among educationalists, there is some uncertainty about the part played by the Community. Some people immediately take fright when the subject of the harmonization and standardization of the educational systems is brought up. There are others who say 'Yes, but we have the Council of Europe, the OECD, the UNESCO and other international organizations which deal with matters of common interest, assemble data and give advice. Is it necessary to set up a new body?' I think it is. I think that we in the Community will have to concern ourselves more with educational problems, including problems which the Treaty of Rome does not authorize us to examine.

If we cooperate in the wide and difficult fields of economics the problems of cooperation are bound to extend into the cultural field. Even though we can say that formally this is not one of the fields of cooperation, in practice we shall be faced with so many repercussions in the educational and cultural field that cooperation will be essential.

Without going into the many details in the document, I would add that in my view there are some things which deserve particular atten-

tion now we are ordering the scope of cooperation, for example point 13 which refers to the connection between the educational systems and other sectors of society—the social spheres, the environment, industry, etc. These matters open up perspectives which we shall be returning to time and again.

I am convinced of the need for closer cooperation between the educational systems and their surroundings. Whatever feature of social development we consider, we find it creates some kind of difficulty or problem in the schools. To take the primary school, it is clear that the effects of housing conditions, the break-up of homes, structural changes in society, environmental problems, conditions at work and mass media are all reflected in the schools and help to decide what goes on there.

To judge from the studies available, for example, those from the USA, we see that the environment has a vast influence on the results achieved in educational establishments.

The information available shows that 80% of the educational results can be attributed to what goes on in the pupils' surroundings (the influence of the environment), not to what goes on in the school itself. This shows the surrounding society must be involved in the educational system to a far greater extent than before. Perhaps we shall just have to accept the fact that we must draw our experience primarily from our surroundings and not from the old-fashioned, academic approach of our school text-books, because conditions have now changed, not least as a result of the mass media. Without going into the many other topics, I would point out that these media, at least, are based on an entirely different set of assumptions.

One of our great tasks will be to promote in our countries, in the Community the interaction or interplay between theory and practice, and our main argument must be that in this way we are promoting motivation. It is not only a question of serving commercial interests, production and industrial life, industrial growth, etc., but primarily of putting a more meaningful content into the educational systems. In other words we must make an all-out effort to abolish the glaring differences between the educational systems on the one hand and the surrounding society, all social institutions and all commercial sectors, on the other.

We are confronted with a long series of problems reflected in this document and which it is now our task to study with each others help. It is the duty of politicians in our national parliaments and the European Parliament to

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take a more active part in the discussions and to talk not only about structures, administration and economics, but about the aim of our educational systems, from the primary school to the university.

We must therefore have a comprehensive discussion about the many points that have been mentioned and outlined by Mr Klepsch in his presentation of the Memorandum. I shall not repeat these points, but there was a long series of very urgent problems we shall all be faced with, together with a number of other problems. It is quite obvious to me that there is a great advantage in broad cooperation based on the voluntary principle and the individual countries' freedom to design their educational systems in the manner best suited to their own traditions and needs. Here we must stress exchange of experience and ideas and possibly joint action wherever appropriate.

On behalf of the Liberal Group, I thank the Commission for its Memorandum and express the wish that in the future we may have many fruitful and necessary discussions on the problems raised and whatever further problems ensue.

(Applause)

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

Mr Pisoni. — *(I)* Mr President, may I take this opportunity of thanking Mr Klepsch for his extremely detailed report. This is a subject on which we could talk for hours, but the document submitted to us this evening limits itself to one particular aspect—albeit an extremely important one. I am already in a position to announce that the Christian-Democratic Group will support this motion for a resolution and will vote in favour of it.

When we speak of schools, we are speaking of the greatest instrument for human training and hence for building Europe, but above all we are also speaking of the capability to mould Man in his complete personality—as human being and as professional man. I must express my thanks to the Commission for the report presented to us, which is very clear and well-arranged. It approaches the subject of schools in precise and clear-cut terms and on a generous scale. We should be glad if, even in this difficult field, it were possible to put into practice if not all of what is presented in the report, at least a part of what it includes. We could then be certain of having taken a great step forward.

It is not the aim of the Commission—nor is it ours—to achieve identity between the educa-

tional systems or the various types of schools. Identity means elimination of differences, whereas what we wish to achieve is a substantial measure of unity—which differs from identity in that it constitutes an enrichment of the differences. This is the aspect from which this topic must be tackled, a topic which involves an historical and traditional context and systems which, although different, are all basically concerned with human beings in their variety and multiplicity, with people each of whom has grown up in his own environment and has his own history. In this context, I should like to criticize one point in the terminology of the Italian text which may be due to the translation. Throughout the text, the word 'istruzione' is used. This expression is restrictive and refers to science or knowledge, whereas 'educazione' has a wider significance covering culture, judgement and broadening of the mind. However, as I have said, this may be the result of translation into Italian, and it is not necessarily what the document is intended to mean, although I personally would prefer the word 'educazione' with its broader significance.

What we are aiming for is a substantial degree of unity which must promote the social mobility which is at present hindered by the lack of even the bare minimum of coordination. We are thinking in particular of the migrant workers and are fully aware of the difficulties faced by them at every step: young people arriving in one country from another and unable to find a school to attend; young people obliged to attend a school in a foreign country with no knowledge of the foreign language and only an insufficient knowledge of their native language. It is in this sector that the gaps are most evident, and that it can be most clearly seen how languages are a barrier which must be overcome.

We should like—and we know that this is the Commission's intention—the Social Fund to intervene on a massive scale. There is no lack of ideas; studies already carried out in this field point towards schools in which the subjects would be taught half in the language of the host country and half in the language of the country of origin. This may not be possible in small countries, but it is possible wherever there are large numbers of migrants and school complexes of sufficient size. This would make it possible to teach the language and culture of the host country without impoverishing the culture and traditions of the migrants—in other words, without 'uprooting' them. This would perhaps give Community education the chance to flourish without those affected raising obstacles of a legal or institutional nature.

In this context, the training of teachers is a chapter in itself. If we are to raise and har-

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monize the level of school education, we need teachers trained for this purpose. But we must not close our eyes to the fact that it is extremely difficult for teachers to keep themselves up to date continually on educational and teaching methods and at the same time to be in a position to give of their best. If, however, we manage to achieve freedom of movement for teachers within the Community, this will contribute towards their cultural enrichment through an 'updating' of their teaching and educational experience, as well as towards an enrichment of the schools themselves, since the teachers, by their very function, are the multipliers of knowledge.

We should like to see an intensification of, and a new spirit in, the teaching of sciences and subjects related to European unity, so as to overcome nationalistic conceptions and distortions of the truth so often fostered by wars and historical confrontations. If we can intensify such teaching, we shall probably be speeding up progress towards the European citizen. In this context, the question of language cannot be avoided. The rapporteur was rather timid in raising the idea of a European language, but my opinion is that it is absolutely essential. Someone has suggested that we return to Latin, which, however is a dead language; Esperanto is one possibility, or else we can select some other language altogether. It is, however, important that this problem should be tackled in terms which are neither mythical, distant nor Utopian. It is clear that we must choose a language other than those spoken by the Member States, since otherwise some countries would have to make major concessions, while others were in a privileged position.

In this context, it is impossible not to refer to further education—and this is the task entrusted to the appropriate committee. We run the risk of straying into a process of 'descholarization' which is increasingly affecting the entire Community as an educational factor, and which will cause each one of us to be out of date within a very short space of time, as regards either our store of knowledge or our methods of tackling questions. Further education presupposes an infrastructure to which the citizen can turn at any time in his continuous need for culture and education. The citizen must be brought back into a cycle which is not merely scholastic, but educative; the idea of the school as the sole source of culture must be overcome, so that it can be seen to be one of the factors in education, but not the only one.

This question is related to what we proposed in the Committee on Social Affairs and Employment. We note the high degree of unemployment

among brain workers, as well as an unsatisfied demand in certain sectors. A constant process of professional retraining is required. We must plan our scholastic programmes seriously in order to be able to absorb the 'product' as soon as it leaves school. For the time being, the proposal restricts itself basically to two aspects: the promotion of studies and the setting-up of a permanent committee for the coordination of education in Europe. We consider this to be extremely important, not least because this committee will permit comparison of the various systems and will act as a point of reference and a stimulus. In this respect, we should be grateful if the Commission and the Council were to fix some deadlines for the measures to be implemented. It would perhaps not cause any harm to have some specific dates. Although the Treaty of Rome lays down the principle of freedom of movement—and hence the right of young people to attend schools in the country in which they reside—the migrant workers, after so many years, still see their children being turned away from the schools of the country in which they are working, or else attending them only irregularly, because of the difficulties involved in being admitted to the same type of school or in continuing those studies for which the student might have shown an aptitude before he left his own country.

This is why, with these recommendations and these exhortations, we shall vote in favour of the motion for a resolution.

(Applause)

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

Mr Laban. — (NL) Mr President, it is good that we have an opportunity today of discussing questions of education and training in greater detail than on other occasions, since these questions are not only of great importance for the individual, but inasmuch as they form part of the general responsibility of governments they are of particular significance for society and the place of the individual in it. This is equally true on national and Community level. On various occasions, particularly in the final declarations issued following the summit conferences of 1969 and 1972, emphasis has been laid on the important role which education and training can play in the building of a united Europe. Unfortunately, as far as cooperation in the field of education is concerned, little beyond fine words has yet been achieved. The Council of Ministers of Education meets only rarely, no decision has yet been taken concerning mutual recognition of diplomas, and, as far as I know, there have been no developments in Community action in the

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field of education since 1958. Meanwhile educational systems within the Member States are undergoing many changes, often of a fundamental nature, in terms of structure and content, without any consultation, and even without a common basic philosophy of educational reform. In view of the fact that a common approach to problems of education and youth is completely lacking, it is a good thing that a member of the Commission was especially appointed for education and technology, and was given his own staff. In the short time since Mr Dahrendorf began this task, he has formulated a personal working programme, Professor Janne's report on a Community educational policy, and a document on scientific policy and technology have appeared, and the efforts to achieve mutual recognition of diplomas have received fresh impetus. Finally we have the document on co-operation in the field of education, which is now under discussion. I should like to compliment Mr Dahrendorf and his assistants on the work they have done in such a comparatively short time. It provides a basis for more institutionalized and concrete cooperation on EEC level. This is urgently needed. It is, however, unfortunate that Parliament has had to respond to the present document so quickly. It would certainly be worthwhile to consider it in greater detail. For that reason I should particularly like to congratulate the rapporteur on this report, which he produced so rapidly. We in the European Parliament and the national parliaments will follow the decisions made in the Council of Ministers of Education with a critical eye.

The proposals are limited in their scope and they are rightly modest. They are realistic in that they do not aim at total uniformity or even harmonization of the educational systems in the Member States, particularly at the primary and secondary levels.

In the field of further education, however, which is not yet governed by legislation to any great extent, some harmonization does seem possible. The other sectors are often regulated by very detailed legislation. The same applies to the types of administrative body, structures and content. These are based on the traditions, history and culture of the peoples in question. Provision will have to be made for a variety of forms within the European Communities, and not only in the field of education.

However, this does not mean that certain common points of departure cannot be found in the educational reforms which are taking place in all parts of the Community. I shall return to this point shortly.

As regards the proposals, my Group is in agreement with the creation of a European com-

mittee for educational cooperation, subject to the amendments proposed by the rapporteur being incorporated, to which I can hardly imagine Mr Dahrendorf raising any objections. This European committee could be of great service as an advisory body and a vehicle for exchange of information on questions of education.

In practice Parliament's contribution will be made largely through the Committee on Cultural Affairs and Youth. Like Mr Dahrendorf, we would welcome the setting up of a special Parliamentary Committee for educational affairs, composed in such a way as to permit fruitful consultation on modern educational problems.

I should now like to speak on the draft Council decision.

In the preamble to this draft decision there is no mention of any common points of departure which could form the basis of educational reform in the Community. My Group attaches great importance to this. After all, in most Member States, education is in fact still based on a situation in which a limited number of children from a higher social class can receive higher education. Scientific and technological development and the rise of industrialization produced a great need for highly skilled workers at all levels. All the available talent had to be developed so that the machinery of production could be extended. Therefore all kinds of facilities were provided, but at the same time a particularly strict standard of selection was introduced. The 'manpower approach' indeed largely eliminated social inequality based on background and wealth, but it replaced it with a new kind of inequality, based on knowledge and accomplishment. In the vast majority of educational systems most stress is laid upon the development of skills. Anyone failing to make the grade is left behind and remains in the lower education sphere. Environmental handicaps and latent gifts are not taken into account. Again it is children from the lower social classes who do not make the grade. Girls, too, are still leaving school too early. Educational experts and politicians in fact agree that the social effect of the present educational system is too conservative. It maintains—even in EEC countries—a number of forms of social inequality. Differences in income, knowledge and influence on decision-making are too great. Mr President, my Group finds this unacceptable. In our complex society decisions must be made by comparatively small groups of people. These decisions are of enormous importance for the future and this future belongs to everybody.

Therefore as many people as possible should be involved in making these decisions. Therefore

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in a democratic European Community, education should aim at creating the best possible opportunities for developing the talents, apparent or latent, of every human being. Therefore, too, we should strive above all to eliminate handicaps due to environment, which prevent children, particularly those of working class background, from developing their talents. All our children will need a more integrated development; alongside the development of intellectual and technical skills more attention should be paid to musical expression. If we want to achieve a greater degree of participation in the shaping of our society, education must produce articulate and critical people, conscious of their own identity, and prepared and in a position to bear social responsibility. This ultimately has consequences for the objectives and structure of education. Political decisions are necessary if we are to achieve this. Therefore a political body such as this Parliament must define its standpoint with regard to educational policy. Of course, it does not need to do this in great detail. I have tried in my amendment to summarize what we must take into account when considering educational reform. I thank the rapporteur for his willingness to support this amendment.

My Group approves the priorities chosen for Community action although it would like some more details on a number of points—firstly on the question of developing a documentation and information system. Such a system could indeed satisfy a need. The Commissioner first wants to set up an inquiry into the sources already available in the Member States, and into future needs. I should like to draw his attention, as far as this is necessary, to the fact that the OECD already has a computerized documentation system for education. If a separate system for the EEC should be necessary, we feel that this should be linked with the OECD system. I hope that the Commissioner will react favourably to this suggestion.

Increased mobility of teachers, scientific staff and students within the Communities will take a long time to achieve. In order to overcome these problems, it would be sensible to study the question more closely. In the experiments we should like to give precedence to teachers in primary education. We think that subsidizing these experimental programmes is a useful start. The future should show whether we are on the right road. In this connection, I would like to ask the Commission in what way the experience of the teachers in the European Schools can be used to better effect in their own countries. Many teachers must now return to their own countries after a few years and be integrated

into the normal educational system. In this way the European Schools lose their most experienced members of staff, and the teachers can hardly make any use of their European experience in their own countries. Further objections may be raised concerning the way in which the European Schools are run, such as the lack of consultations with parents and teachers. However, the Parliamentary Committee will return to this point after an inquiry which is being conducted has reached a more advanced stage. It will certainly do so if a concrete proposal to increase the number of European Schools is made. In our view, these new schools should preferably be set up in areas with large numbers of migrant workers' children, and should preferably be under the administration of the European Commission.

This brings me to the next point of Community action. A good point. Everyone involved in education knows how bad the provisions are for the education of migrant workers' children in the Member States in question.

This concerns a million children between the ages of 4 and 18, a decisive period for their future development. A heavy responsibility rests with the Member States who recruit their fathers to do their dirty work for them and to promote economic growth, and impose the same taxes on them as on their own citizens.

The proposal, however, is very modest. The European Treaties, the Universal Declaration of Human Rights and Directive No 1612/68 are expressly against any form of discrimination. The directive in particular unambiguously prescribes equal treatment for children of migrant workers in the field of education. This directive must be applied fully in all Member States. The Commission and Parliament must make all possible efforts to ensure that this objective is achieved. Experimental programmes, including language courses subsidized by the European Social Fund, are useful, but do not solve the problem. The Member States must fulfil their duties themselves.

It is essential that the education provided should take both the relevant cultures into account. Proper integration into the educational system of the host country must be ensured and migrant workers' children must be fully eligible for national educational grants.

The *ad hoc* group formed to consider these problems in the context of the Social Action programme, or a Working Party to be set up within the advisory committee for freedom of establishment for employees, do not appear to us to be the appropriate bodies. The analysis contained

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in this document shows how crucial this problem is. Mr Dahrendorf must come to grips with this matter himself with the assistance of his colleagues.

These educational problems demand specialized knowledge, and therefore responsibility rests first and foremost with the Commissioner for Education and his colleagues.

Mr President, as a final point, a few words on the promotion of the European dimension in education. This is another difficult and crucial problem.

In spite of all the information which has been distributed from Brussels throughout the Nine, we can observe that interest in Europe is dwindling. And how can it be otherwise, now that in this difficult period the ever present nationalistic undercurrents are rising more strongly than ever to the surface? There are few signs of genuine solidarity, of a wish to go further together along the road to a happy and prosperous Europe. This being so how can we hope to make people, and particularly young people, warm to the idea of a European Federation?

It is a case of 'Do as I say, not as I do'. But that won't wash. In this field too, we must ensure that young people are better prepared and motivated to build a democratic and socially just Europe, since, as far as Europe is concerned, there is no turning back.

It is a good thing that all citizens should be given the opportunity of learning one or more foreign languages. We realize, of course, that studies and documentation are necessary before any directive can be drawn up.

We welcome support for initiatives aimed at including European problems in curricula.

The plan to subsidize experimental programmes drawn up by groups of teachers does not appear to us to be the appropriate road to take. Development of programmes demands specific knowledge, which groups of teachers do not always have. The appropriate bodies for such tasks are institutes for curriculum development. These institutes could work in collaboration with the European institutes associated with many Universities.

Experiments of this type require expert scientific guidance; their results must be assessed and made accessible to others. Groups of teachers would also be incapable of providing this follow-up.

I should like to ask the Member of the Commission to bear my remarks in mind during the consultation with the Council.

I should like to reiterate the rapporteur's question on the situation as regards an institute for educational development, the Guichard Institute.

We have read nothing about this, and I should like to know what the Commission's attitude to this plan is. Mr President, subject to the critical comments I have made, and in anticipation of a satisfactory answer to the questions I have asked, my Group is in agreement with the Commission's proposals.

I believe that Parliament and the Commission are convinced of the great importance of the education policy for the future of Europe.

We live in an age of rapid change. This has consequences for education. As I have said, education must lose its conservative and static character. It is not sufficient to adapt education to the social needs of today. It should, by ensuring a more harmonious development of the students, help shape the society of tomorrow.

Furthermore, it is a matter of social justice that all children should be able to develop their talents. This is also a stern necessity, for no country, not even a United Europe, can allow itself to squander its children's gifts. The education which we give our children, whatever form it may take, is in the interest of everyone. The development of a feeling of social responsibility, and the duty of solidarity with the weak, in which education can play a role, can only strengthen the respect for humanity and basic rights such as freedom and democracy, which are written on the banner of Europe. My Group will spare no effort to achieve this.

(Applause)

IN THE CHAIR: MR BEHRENDT

Vice-President

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

Mr John Hill. — It is a pleasure to follow Mr Laban, who has brought to our debate an expertise that leaves no doubt about his professional qualifications. I have the privilege of working with him and enjoying the benefit of his experience. Like him, my group in considering this very important document has felt very rushed. We congratulate Mr Klepsch on being the second instant rapporteur on this document.

I certainly wish, as I suppose most people do, that the meeting of educational ministers had been fixed for 2 June rather than 2 May. However, we are pleased that the Commission has brought together the various educational

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implications of the Treaty of Rome and put them into a programme for study and selective action.

One important point which we greatly welcome is the Commission's acceptance of the belief that there can be no question of attempting to harmonize European national educational systems as a whole. The objections to any policy aiming towards uniformity would be both practically and politically insuperable. Consider the differences between just three Member States—France, with a highly centralized system under a government minister; Germany, with her educational system almost completely devolved to separate Länder, each autonomous in educational matters; and my own country, the United Kingdom, with a partnership between central government with a minister but with no schools and no say in curriculum matters, and over 100 separate and separately elected local education authorities.

We believe that there is a positive advantage in the differences, in that they represent some of that diversity which is a measure of the variety and richness of European culture. None the less, all our countries are confronted by many urgent and common educational problems—for example, the speed of educational change, the educational problems of displaced, migrant or deprived families, the common problems of implementing, in each country, the general aims of the Treaty of Rome and the ever-present pressure of potential demand exceeding prospective resources. Thus, we acknowledge that much is to be gained by a policy of sustained and strategic cooperation in education between the Member States, and we support in principle the main recommendation of the Commission's paper on the establishment of permanent machinery for that purpose.

For the rest, there are many suggestions which are most valuable in the report. I congratulate Mr Dahrendorf not only for all that he has done in his term of office in this field but for selecting three important areas where practical progress is not only needed but has a fair chance of being achieved. The question of mobility in education—the whole subject of the qualification of teachers to facilitate their interchange between institutions and countries and the mutual recognition of academic qualifications—will be examined in a further hearing on academic qualifications.

I am wondering in this connection whether anything can usefully be gained from the example and perhaps the evidence of the United Kingdom's National Council on Academic Awards, which, since it was set up 10 years ago, has proved to be a very valuable means of

monitoring the courses, levels and standards reached in many separate institutions, notably the 30 or so polytechnics which are under the local education authorities to which I have referred.

Then there arises the question of the interchange of students, whether at the further education level or at university level or at the post-graduate stage. Clearly we wish to provide as much flexibility as possible, but, as I said earlier this afternoon, there arises at once the spectre of the *numerus clausus*. As to school children, as far as I can judge, there must be fair exchange in the form of travelling groups resulting in useful experiences. Once again, the programme provides for a conference in 1975 on mobility in secondary education.

Again, it must be right to have a continuing study of training techniques in education. I hope that the results of my own country's Open University will be available to assist the Commission.

The second important sphere about which Mr Laban has spoken so eloquently is the education of the children of migrant workers. I wonder how many of the 6 million migrant workers with over 1 million children aged between 4 and 18 as mentioned in paragraph 9 are migrants from one Member State to another, that is, within the Community, and how many come from third countries outside the Community. Again, I wonder what estimate it may be possible to make of the numbers of those who intend definite settlement in the country of their choice as compared with those who are temporary residents for a particular period of employment. Obviously the educational needs of such children and families will differ. It is desirable to have an estimate from some committee, even if it is not the Education Committee. Such a question will doubtless be dealt with in the Social Action Programme.

Common to all, however, will be the language difficulty and common to many may be the handicap of educational deprivation. In my country this is most pronounced among the children of migrant workers. Experience has shown that it is even more difficult to combat than what might be called home-generated deprivation.

At this point, therefore, may I make a reference to Mr Laban's amendment and state that my group support it?

The third broad field that I should like to mention is the fostering of a European dimension in education. I believe this is indispensable in stimulating further progress towards European

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unity. But I suggest that we want a unity of theme rather than a uniformity of practice or institutions. Mr Pisoni mentioned the rewriting of history. I believe that it is a matter rather of adding an extra and perhaps loftier viewpoint so that national aspirations and achievements may be seen and perhaps revalued in the ultimate perspective of time as staging posts towards the final goal.

We approve support for European studies in the universities and the proposals for a pool of fellowships. I hope that the United Kingdom's creation of over 100 post-graduate scholarships to British institutions will be of value in spreading the study of Europe. Above all, we would welcome the giving of priority to the study and development of language teaching. Familiarity with other languages in addition to one's mother tongue must, I believe, be most likely to lead a person to think, feel and act in terms of Europe—indeed, as a European.

No students and few teachers now have personal experience of the appalling horror and cost of a Europe divided and fighting within itself. Yet that experience in the Second World War was for many of us the most compelling motive for supporting the creation and development of the European Community. Any Community education policy will fail, in my judgment, unless the young are persuaded that the ideal of a Europe gradually drawing together by consent and in freedom is both worth living and striving for.

I return to the motion for a resolution and the Commission's main proposal. Of course, as Mr Petersen said, there is always objection to one more committee being set up when, as it is alleged, so many others are already operating in this field. How is the expense to be justified? We believe the committee has a valuable rôle to play. Its main function is to collect and collate the mass of information on education available from Member States and from the other European international organizations which have long been working in this field, notably the Council of Europe, the Council for Cultural Cooperation and the OECD, and it would be a grave waste and a mistake if the expertise and knowledge already available were not used and put at the disposal of the committee and, through the committee, of ourselves.

Secondly, we believe that the committee is important precisely because national systems will remain mainly national, so that there will be only a limited agenda for education ministers meeting as a Council of Ministers. This committee could provide a degree of continuity and assist the Commission to identify common

education problems and clarify them towards the point of decision.

We believe, too, that the indirect entry via the Commission to the deciding body, the Council, should give this committee a sharper edge. Above all, we believe that, as Mr Petersen mentioned, a failure to promote educational decisions may impede the development of Community policies in other fields.

Mr Klepsch has already referred to many topics awaiting examination by the committee if it is established. We hope the Commission will look favourably upon the suggested amendments in our own resolution, first to bring the European Parliament closer to the committee, and secondly to add to the committee some representation of the European schools, which the Commission itself hopes to extend. I say nothing more about that at the moment because a study group is to examine it.

Finally, it is clear that we have to leave many aspects of this document till a later occasion. For example, we are aware of the budgetary implications and the need to secure value for resources expended, human as well as monetary. But if the resolution is passed and the committee comes into being, we hope that it will justify its existence *inter alia* by enabling this Parliament as well as the Ministers to debate educational policy in future with greater timeliness, relevance and effect.

(Applause)

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, in a personal capacity—and hence within the short time allowed by the rules—I should like to emphasize one point in this motion for a resolution which I feel is of extreme importance.

I share the appreciation of the colleagues who spoke before me for the notable contribution made by the Commission with this Memorandum. I should, however, particularly like to draw attention to paragraph 5 in the motion for a resolution, which recommends to the Commission that it should include the promotion of a common awareness of the European cultural heritage.

We certainly do not have time today to discuss such a wide topic in detail—a topic which is of great importance for our culture, I might even say of great ethical and political importance. I should nevertheless like to stress that, in considering this subject, I feel we must not take too restricted a view of the problems involved. It is obviously not simply a question of amend-

Cifarelli

ing the history textbooks in schools. In a free Europe such as ours, we must not imitate the Soviet encyclopaedia in which opinions and texts change according to who is currently in control. I feel that a common responsibility should be different from that, for instance, of the allied authorities in Italy who, as soon as the fascists had been overthrown and the country occupied, started revising films and textbooks. What is involved is something more serious: it is a question of noting that in a country like mine, we may still have legal difficulties concerning the Eastern frontier, but nobody would nowadays think of organizing chauvinistic demonstrations because of this. Again, between France and Germany, I think the traditional expression 'boche', with all its connotations deriving from the past and from the tragic history of the peoples on both banks of the Rhine, is now fortunately a thing of the past. These developments, however, are based on reality, and when we say that it is essential to promote a common awareness of the European cultural heritage, we should not just be thinking of the textbooks used in schools or the subjects set at universities. It is more a question of encouraging wider information and, above all in my opinion, a different viewpoint. We have all been accustomed to regarding history from a national point of view. For instance, when the history of the Italian Renaissance is studied in Italy, the impression obtained is that this great cultural flowering was a purely Italian product; however, one only has to think of the contributions made by the arts in other countries (French Gothic, German and Arabic art, and the art of Eastern Europe, where the Roman Empire held sway for a thousand years longer than elsewhere) to realize that the Renaissance was an extremely complex phenomenon, and that civilization is never a purely national product unaffected by outside events.

To suppress political racism, we must also suppress all its premises and all its intellectual implications. This will involve a deeper study of the relevant subjects and a different viewpoint.

I should, however, like to argue, Mr President, that when we speak of promoting a common awareness of the European cultural heritage, we should not use the word 'Community'. True, we are operating within this Community, which I hope will remain a Community of Nine in spite of Mr Callaghan's speech, and which we all hope will prosper and expand, but our aim cannot be an awareness of the cultural heritage of the European 'Community'—either the heritage is European or it is not. Prague, in its vicissitudes and its struggle for freedom, is part of Europe, as are all the other countries in

similar circumstances; Russia is also Europe, and so—in a certain sense and with differences which are purely historical—is America; it is other civilizations and histories which are completely different and which belong to a different world.

I should therefore like to stress this cultural significance, and to emphasize that history is not just a list of events (for instance, that such and such happened on a particular date, or that the son of such and such a king murdered his nephew, as we sometimes read in history books) but means using the study of the past to help solve the questions of the present. The more we press forward with the construction of Europe, the more we must ask ourselves who our ancestors are, and where many of our impulses originate, the more valuable it will be to be aware of the thread of reform and counter-reform, of French enlightenment and German romanticism, English liberalism and nineteenth-century German culture with its great philosophical interpretations; to realize that Marx is the spiritual son of Hegel and to recognize the thread running through all these down to Italian neo-idealism.

I say this in all humility, because this is a political assembly, and it is not for me to pass cultural judgements here. We all know, however, that, as regards the past, establishing an awareness of history means opposing nationalism and narrowmindedness, and as regards the future it means deriving from the parts of our past an awareness of ourselves and our future.

I should just like to say a few more words, Mr President, and then I shall have finished. Once, at a congress, I crossed swords in public with a great European, Henry Brugmanni, who, in his enthusiasm for Europe, said that Europe had been ruined the day the heirs of Charlemagne had divided it up into the famous three parts—Germany, France and Lorraine, the latter including Italy. I replied that it was ridiculous to regard history in this light. History is what it is and we are all sons of our nations which have arisen in so many different ways, out so many different circumstances. One part of the French past is the Marseillaise, complete with all the blood with which they wanted to fill the furrows, and the history of Italy includes the struggle against the Austrians—of whom it was said, however, that they should 'leave our country and we can be brothers'. Basically, history without a past is ridiculous; building Europe means accepting the nations as they are, guiding them away from the narrowmindedness of self-seeking nationalism towards an awareness of a wider world, and a civilization comprising a great variety of aspects.

Cifarelli

Looking at the problem this way, I do not believe in a European language laid down by law. Languages, too, are a part of history. When Latin became the language of the Christian Church, which was the strongest force at that time, it was history which made Latin the universal language. At a much later date, force of arms and of thought produced the same situation for French, which became the universal language of culture. As regards the future, let us place our trust in history in this matter as well.

(Applause)

President. — I call Mr Brewis.

Mr Brewis. — It is a privilege to follow that eloquent speech by my colleague Mr Cifarelli. I should like to comment on some of his remarks because our attitudes today are so much rooted in history, and a proper appreciation of the history of our continent can contribute so much to future understanding. I should also like to congratulate Commissioner Dahrendorf on all he has done since taking on his present job. I am sure that this debate will show him how much still remains to be done.

The most important elements in education are the teachers themselves. Teaching is materially not a very rewarding profession and is becoming less so as the remuneration of manual workers is raised inexorably by trade union pressure. I was told the other day that, if the pre-war differential between teachers' pay and that of manual workers had been maintained, teachers today would be earning three times their present rate. If we want to gain the hearts and minds of the younger generation for Europe, we must start with some effort to harmonize the conditions of the teachers and improve their material circumstances. It is absurd that someone with a first-class honours degree who enters teaching should get less than a trainee coalminer.

I am delighted at the emphasis that the Commission has given to language studies, but languages should not be studied in a vacuum. One can learn a language from a book in three months, but one can forget it just as quickly.

We should consider experimenting with systems like that used in Bulgaria, where the native language has little external value. There, there are English, French and German language schools and all subjects are taught in a foreign language, so the student appreciates the relevance of that language and does not consider it a dead academic study. Something like this, I believe, is being done in European schools. Of course, to convert the scientific knowledge

gained in a foreign language back into the language of examination may take a few months. There, perhaps, the Commission could help with bursaries and grants.

One would like to see deeper thought given by the Commission to the purpose of education. It has always been assumed that education was a passport to a better job and thus to greater material advantages. For this reason, in all our countries, we have expanded universities and raised the school-leaving age. But there is now evidence that, with the exception of certain learned professions, excessive education is counter-productive. It does not lead to better jobs and it certainly does not lead to greater happiness.

Should the Commission not be thinking more of education as a contribution to the quality of life in Europe? Our European education has led to a high standard of living in terms of washing machines, motor cars and colour television sets, but what use is that if we have to watch rubbish and near-pornography on those same television sets?

We must draw a distinction in education between the standard of living and the quality of life. Of course, this brings us back to the old question of Socrates:—Can virtue be taught? At any rate let us try to do so in European education.

(Applause)

President. — I call Mr Dahrendorf to state the position of the Commission on the amendments adopted by the Parliamentary Committee.

Mr Dahrendorf, Member of the Commission of the European Communities. — (D) Mr President, This is an important occasion. This is the second time in the history of the European Parliament that a detailed discussion on educational policy is being held. The first discussion of this kind followed a report by Mr Hougardy on 8 February 1972. At that time, educational questions were mostly discussed with regard to the role of youth in Europe. Today, educational policy is being discussed as an integral part of the policy of the European Communities, in its own right, and it will be examined at a Council meeting in a few days time. For this reason too, I am grateful to the rapporteur and all the speakers in the debate for the care they have taken in studying the Commission's proposals and for the favourable way they have received them.

I share the opinion expressed by Mr Klepsch that now may be the time to make progress in Europe in a number of areas. These areas are perhaps not quite as spectacular as the central

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themes of European integration, but progress in them is equally necessary if we are to achieve our goal of a united Europe.

The preliminary work on the proposal the Commission is submitting to the Council goes back for years. I should like at this point to pay tribute to the contribution of my colleague Mr Spinelli, thanks to whom the Community, and within the Community the Commission has tackled the problems of education. I should like to pay tribute to the report which Mr Janne submitted to the Commission on the possibilities of a European educational policy. Mention has been made of the existence of an independent Directorate-General for Research, Technology and Education since 1973. I myself submitted a working programme in May 1973 which we are discussing today. It contains the ideas developed by my predecessor in this portfolio, by our adviser and by my colleagues. I consider it important, Mr President, to repeat one of the Commission's guiding principles. I think this important, particularly if we wish to assess the relative importance of the proposals under discussion. Allow me to quote from my working programme of May 1973. The great problems in education—as I discovered at that time—are today common to all the industrialized nations; to satisfy the citizen's right to education and provide equal opportunity for all, to overcome problems of new dimensions—the problem of overcrowding in secondary and further education, the relationship between education and job, questions of educational programmes and syllabuses, education geared to certain fields of employment, career opportunities, etc., finding new technical and organizational means of opening up the way for life-long education, changes in the quality and organization of education in the light of demands for greater democracy and of the trend towards critical detachment from industry and society.

As I added, these problems need only be stated to see that the European Community's contribution to their solution can only be very limited at present. This is partly due to its incomplete development, but also partly to the fact that the Community is not necessarily the best political platform for the solution of such problems. However, what little influence the European Community could bring to bear would be misdirected from the start if it were exerted in isolation from general developments.

This means that we should begin to pursue the more limited objectives we can set ourselves here and now, with the general problems of educational policy fully in mind. The fact that we are doing this, and should continue to do so, in full awareness of these general problems,

makes it easy for me to vote in favour of the amendment regarding our broad ideas on educational policy which Mr Laban has submitted on behalf of the Socialist Group. I am sure Mr Laban will agree with me that there are many other guidelines apart from the one he has selected, including the questions Mr Brewis has just raised on the quality of life, the purpose of education, the relationship and the limits of the relationship between education and jobs. I am still pleased to express the Commission's agreement with this motion. It puts into concrete terms something which has certainly been a guiding principle for us.

However, we were also face to face with an alternative, and we made our choice. As the Commission, we could have decided to include the central themes of educational policy in the activities of the Community.

We were also able to concentrate on a few central points which are close to the Treaty of Rome, if not actually covered by it, by taking a few steps to acquire competence in the twofold sense of the word, at least twofold in some languages, i.e. to acquire expertise, the ability to make a meaningful contribution towards solving existing problems and also the right to do this. Our decisions should be seen in this light. I feel bound to give an immediate answer to a number of questions—answers which, incidentally, are also contained in the proposal to the Council.

Mr President, I can assure you and the Members of the House that I will avoid anything which might lead to a senseless overlapping of the activities of the European Community with those of other organizations in Europe. From the outset, I established the closest possible links with the Council of Europe, with the OECD and with UNESCO which recently held another conference of Ministers of Education for Europe as a whole. I intend to see that the exchange of information is pursued energetically, at civil service level as well, that there is never even the slightest temptation to duplicate something already being done elsewhere. This type of cooperation seems to me a basic requirement. I think it is in the interest of all of us. It also means continually checking the point at which decisions are best made.

Now that the outline of our proposal is clear, it remains for me to comment on the three main points and on what has been said about them in this debate.

The first point is the question of mobility and what we can do to increase the possibilities for exchanges between Member States.

Dahrendorf

Incidentally, Mr President, this is a point which already raises the question of cooperation with other organizations, where we can learn a great deal from what others have done, take over a great deal and develop many forms of cooperation further.

I said, in connection with the previous agenda item, that the promotion of mobility in the entire field of educational training forms the other side of our proposals on the right of establishment. I think that many more young people are interested in this than, as is natural, in the right of settlement for independent professions. I hope, therefore, that the Council will adopt our ideas on practical ways of increasing the possibilities for exchanges, for example by a consultation procedure, by scholarships and by a number of other measures. I am most grateful to this House for its endorsement of our ideas.

The second point, on which much of importance has been said, concerns the children of migrant workers. A number of speakers have clarified the basic issue which concerns everyone involved with the problems of migrant workers and their children. This is: should these children be given the opportunity to integrate into the society in which their parents are working, or should they keep open the option of returning to the countries from which their parents came? My answer to the question which Mr Hill, I think it was, asked, is this: the difficulty is frequently that we do not know whether the parents intend to return one day, or remain in their country of employment. This means that we must find educational methods which keep the choice open in some way, if this is at all possible.

And in this connection I also consider—I think Mr Cifarelli just mentioned it or Mr Brewis—that the European Schools provide us with valuable experience. It may be that these schools do just this, that is, they keep open the option of integration into the country where one lives, or returning to the country of origin. We shall have to see how much we can learn from the European Schools in this respect.

One particular question, and a tricky one which is often evaded—I am glad that Mr Klepsch has asked it directly—a question, Mr President, on which we must give our opinion at some point, and Parliament as well, is this: should a distinction be made between children of migrant workers coming from a Member State, children of migrant workers coming from an associated State, and those of migrant workers coming a third group of States, or not? In my opinion, we would be ill-advised to create three categories; on the contrary, it is our duty to combat the discrimination which can always arise in educational matters affecting people

from various countries by setting an example here. I hope that the Community will show this kind of generosity—if I may call it such—and not concentrate solely on the children of migrant workers coming from the Community States.

The third point is that of the European dimension. It would be a great temptation, Mr President, to continue the discussion of language which a number of speakers have begun. I hesitate to do so because I know that every statement I make will bring me hundreds of letters. This subject interests many people throughout Europe, and many people have very definite opinions on it which I shall then have to study. However, I should still like to make one comment. My own feeling comes closest to that of Mr Cifarelli. In other words, I did not find the ideas of Mr Janne, who advised us and has given his opinions on the matter, very plausible, when he says that we should start to limit the number of languages used in the European institutions and elsewhere. I have always considered that every citizen in Europe must be able to use his own language freely in the same Europe. I would therefore much prefer to see a clear programme of multilingual instruction and have already expressed my preference for the use of passive linguistic knowledge in education, i.e. the ability to understand other languages and then speak in one's own language. But, as I have said, this is a subject with many difficulties and unfathomable aspects. The same holds true for history teaching. The idea we have developed is that model teaching programmes must first be worked out for languages and for European studies. The discussion of these alone leads to new ideas and can be of benefit to our schools and universities. These can thus prepare the ground for a process of development, which will certainly take a long time. All this is only possible if we obtain the active cooperation of a wide circle of those involved in education in good time.

I fully agree that it is absolutely essential for school and university teachers to have a say in everything we as the Community set out to do. And we will do everything in our power to show the groups concerned these are not empty words: in the conferences we propose, in our development of model teaching programmes, in consultations. What I cannot promise, Mr President, is that the participation of teachers in the education policy of the European Community will lead to an increase in their salaries; this is certainly outside the Community's sphere of action at present, although I am sure that the teachers, when they meet at the European level, will discuss this subject in a way which will not fall on deaf ears.

Dahrendorf

Mr President, all these activities cannot take place in a vacuum. We need constant consultation. And in any case I do not like the idea of the Commission assuming powers for a field in which it still has much to learn. But I think it important for this reason to find an institutional form which will allow us constant access to the experience and expertise acquired by Member States. This is why we proposed setting up a committee to advise us on cooperation in education.

This proposal takes two matters into account. It takes account of the desire for regular, systematic and permanent consultation within the Communities and institutions. You can see from this—as some of you have seen already—that the Commission does not consider it necessary to set up a special institution outside the Community institutions. In our opinion the European Community is so flexible in its internal and institutional structure that a committee of this type would cover these requirements.

On the other hand, the Commission has not overlooked the fact that current educational policy involves questions different from those entailed in, say, research policy. Nor does Community thinking on education seek, even in theory, to coordinate national policies and introduce binding measures, a duty we would claim in due course for the education committee. We have thus proposed a looser form for a body which would have certain responsibilities for the exchange of information and experience, would constantly advise the Commission and thus guide us further along the road towards an educational policy for the European Community.

Your Committee has now proposed a series of amendments and I should have liked to say simply that the Commission is as grateful for these proposals as it is for the many times this House has thanked the Commission for its activities, and supports them without reserve. I would like to support them, but I feel I must point out a few problems they raise.

Firstly Parliament asks for more information on the activities of the proposed committee. This wish is expressed by the proposal to include in Article 3 the statement that reports should be sent to the Community institutions. It is also expressed to a certain extent in the new Article 9 which talks of an annual report to be incorporated into the general report and thus automatically accessible to Parliament. I am completely convinced by this line of reasoning and see no problem in adopting it.

Then there is a proposed amendment on the composition of our advisory committee, and

more especially, that it should include representatives of the Governing Council of the European Schools. Mr President, I am not sure whether the originators of this amendment fully realized what kind of committee this advisory body is. It is supposed to have three representatives from each Member State. We do not necessarily assume that these three have to be civil servants. But we do assume that they will be nominated by their governments, and the governments will certainly exercise a certain amount of freedom by proposing, for example, representatives from existing semi-autonomous institutions which they themselves consult. If we now started to add representatives from any one institution, or even a group of institutions, it would be very difficult to see why we should confine ourselves to the Governing Council of the European Schools.

There are many other bodies, for example the European body of University Chancellors and Vice-Chancellors, the European teachers associations and a number of others. I think this would be opening a door unjustifiably and one could hardly justify closing it again after the representatives of the European Schools had passed through. I must thus ask you to believe me when I say that the Commission attaches great importance to cooperating with the European Schools and, more than that, making good use of the experience gained by the European Schools. But we do not think that the advisory committee is the right place for this to be done most effectively.

The third point, Mr President—and here the House will have to make an important institutional decision—is this. The amendment proposes that it should be possible for the Commission's advisory committee, consisting of representatives nominated by the governments, to be convened by the European Parliament also, so that the European Parliament is directly involved in the Commission's working methods and those of its advisory bodies. The objections to this proposal by the Commission's representatives in the Committee were said by Mr Klepsch—if I noted it correctly—to be of a tactical and technical nature. No, these were not tactics or technicalities; a decision has to be taken by Parliament. Whatever Parliament decides, we will have to support. Parliament must choose between two alternatives. The first, which I have always considered the appropriate one, is that the Commission is not only represented on this Committee, but gives it assignments, the Committee in turn reporting to the Commission; Parliament thus has opportunities for surveillance in Committee and in plenary sittings, as is true in all areas of the Commission's activity.

Dahrendorf

The other possibility is that Parliament decides at this point for the first time to express the wish to intervene directly in the Commission's administrative and decision drafting activities and perhaps to convene a committee of its own composed largely, if not entirely, of officials from the Member States, and give this committee responsibility for certain questions.

We could debate the separation of powers for hours. It would then turn out that opinions vary among the Member States and that they have very different experience of the matter.

On behalf of the Commission, I would ask this House to weigh very carefully whether it wishes to depart from the system of Parliamentary surveillance of the Commission on this point, and go over to direct links between Commission and Parliament for the Commission's preparatory decision-making and in part administrative functions. I would just like to say that the proposals to include the words 'or the European Parliament' in Article 3, and 'or at the request of Parliament' in Article 6 have far-reaching consequences requiring very careful consideration. I thus feel justified in voicing my feeling that Parliament would be ill-advised to adopt them.

I am afraid I must close with these remarks, but should just like to add the following. We should not allow the extreme importance of this subject to be overshadowed by a lengthy discussion of institutional questions. We should realize that the main thing is to take the first important step towards a common educational policy. This is more important than the institutional details. I am pleased to note that all the speakers and the rapporteur share my desire to see progress made in this matter.

(Applause)

President. — I call Mr Klepsch.

Mr Klepsch, deputy rapporteur. — (D) Mr President, let me make just one relevant comment and a comment on our amendments to the draft decision of the Council.

Firstly, I should just like to stress the following point once again, because several speakers have stated what the Commission itself has said in its paper on the question of the division of tasks: the Committee unanimously supported the attitude adopted by the Commission in paragraph 67 of its Memorandum, namely that the division of tasks, whatever form this might take, with bodies and institutions outside the Community is not an appropriate solution, no matter how flexible and pragmatic the Commission may be in its approach to this question

—and here I should like to congratulate Mr Dahrendorf for establishing all the contacts. For the last thing we want is for the Community to be prevented from extending its work to other fields, as stated here. We would not like to see a situation in which the natural development and dynamism of the Community, as set forth in this paper, might be adversely affected. We should like to stress our support for the Commission's attitude on this point.

And now for the text of the proposals: firstly I should like to express my thanks for all the reporting and information available and for the preparedness to accept some of the ideas on amendments submitted by the Committee. I have discussed the other questions with the Chairman of the Committee, who unfortunately must be absent for half an hour.

I think, as far as Article 4 is concerned, that two points are involved. Firstly we are afraid that the specialist knowledge which is available in all other areas would not come sufficiently into play. The statements you have just made go part of the way to dispersing this fear. On the other hand, our idea was not that two representatives from the Governing Council should be included in this body, but that this Governing Council should nominate two experts as representatives. Mr Broeks, the Chairman of the Committee, agrees with me that this is not the main question as far as we are concerned. We have already tried to achieve a more flexible wording of this Article. I find myself in a difficult situation because this was a unanimous vote by the Committee. I can only say that the Chairman of the Committee and I are prepared, in view of the statements you have just made, to drop the additional point about representatives.

The other point concerns Articles 3 and 6. Valuable though your statements on the question of legislative and executive are, I must say that Parliament has no intention of pushing its way into a dominating position on this committee and sending representatives to it. All we are trying to achieve in Article 3—you have accepted the one part of it anyway—is that we receive information about the Committee's work. But we should also like to be able to bring pressure to bear ourselves to ensure that this committee really works. And this is the point that the Committee on Cultural Affairs and Youth considered, and for a good many reasons. In the discussion on Mr Hougardy's report we had to face the fact that there are a host of Commission proposals which have come to nothing, but that there have also been long periods devoid of any activity whatsoever.

Klepsch

Here Parliament would like to have a definite means of access and it was our idea on 3 and 6 to force this Committee—that is the way I should like to put it—to deal with those questions for which it is actually competent. Article 3 and Article 6 require nothing other than—let me quote Article 6—‘that the committee shall be convened at the request of Parliament’. The text thus reads that it can be convened on its own initiative or at the request of one third of its members or, and that was our proposal, at the request of Parliament. So it is not a question of our pushing our way in, but only of our wishing to be in a position to oblige the Committee to deal with questions.

As far as Article 3 is concerned too, our basic aim is not to let the Committee become an inactive body. Anyway, those were the motives which influenced the Committee. Let me stress once again; our main consideration was not that Parliament should be represented on this Committee, neither was it simply to listen, but—you agreed with us on this yourselves—that we receive the opinions and reports drawn up by the Committee. We are all agreed on that. What we should like to achieve is that such reports are certain to be submitted. That is basically what the amendments to Article 3 and 6, which the Committee unanimously formulated, are all about. This matter puts me in rather a difficult position, since, despite all the discussions in the Committee, we arrived at this opinion unanimously and here I have no room to manoeuvre. You said that it is a question of precedence. That is not, in fact, the way I see it, and perhaps, on the basis of what I have just said, we could retain the wording.

As far as Article 4 is concerned, let me state again that I am in rather a difficult situation. Here, too, the decision of the Committee was unanimous, but we—the Chairman and I as deputy rapporteur—are prepared to drop the addition. I cannot know if all the committee members will follow me on this, but I gather from the nods from the Group spokesmen that we can come to an agreement on Article 4.

Let me sum up once more: on Article 3, part 2, and Article 9 the Commission shares our opinion. On Articles 3 and 6 it has left it to us to decide for ourselves, and as rapporteur I must adhere to presenting the text here in the form on which we unanimously decided. On Article 4 we are prepared to go along with the Commission's ideas.

(Applause)

President. — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the draft decision to be submitted by the Commission to the Council, setting aside consideration of the motion for a resolution as such.

I would point out that the report by Mr Schulz only recapitulates the passages of the texts of the Commission of the European Communities which have been amended by the Parliamentary Committee.

I have an amendment to the preamble to the draft decision of which the original version is thus not before you.

On the sixth paragraph of the preamble I have Amendment No 1 tabled by Mr Laban on behalf of the Socialist Group and worded as follows:

‘The sixth paragraph of the preamble should read as follows:

‘Aware of the essential role which education and training can fulfil within the framework of the policy as a whole in the future development of the Community, in particular by eliminating many forms of social inequality among citizens, thereby reducing disparities in knowledge, income and right of participation;

We can dispense with a debate on this amendment, which has already been moved by its author and approved by the rapporteur.

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I would point out that, in accordance with Mr Dahrendorf's wish, the deputy rapporteur agrees to delete the amendment proposed by the Committee to Article 4 of the draft decision, namely:

‘...and of two representatives of the European Schools appointed by the Governing Council.’

Consequently I propose that Parliament adopt the text proposed by the Commission without a formal amendment to this effect.

Are there any objections?

That is agreed.

The text of the Commission of the European Communities is retained.

We shall now consider the motion for a resolution as such, which had been set aside.

I would point out that, as a result of the adoption of Amendment No 1, paragraph 6 of this motion for a resolution should read as follows:

‘6. Appeals to the Council of Ministers responsible to adopt, *allowing for the following amendments*, the draft resolution contained in the communication submitted by the Euro-

President

pean Commission, to enable the Commission to work out practical proposals without any further delay;

I put to the vote the motion for a resolution as a whole, incorporating the various amendments that have been adopted.

The resolution as a whole is adopted ¹.

6. Resolution on the creation of European uranium enrichment capacities

President. — The next item is a debate on the second report drawn up by Mr Noè on behalf of the Committee on Energy, Research and Technology on the proposal from the Commission of the European Communities to the Council for a resolution on the creation of European uranium enrichment capacities (Doc. No 38/74).

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

Mr Noè. — (1) Mr President, Commissioner Dahrendorf, ladies and gentlemen. Almost two years have passed since we first discussed the enrichment of uranium in this House. Since then, the need for a concrete solution has become more pressing. Some steps have recently been taken, and public opinion in the countries which we represent here has become more sensitive to the problem as a result of all that has been happening lately.

Before embarking on the subject, let me just explain one thing. The importance of uranium enrichment derives from the fact that, over the last ten years, most of the industrialized countries have come out in favour of reactors fuelled with enriched uranium rather than those fuelled with natural uranium. I mention this so that I can go on to the wider subject of the choice of nuclear reactor. Whereas, from 1960 to 1969, all the reactors fuelled with enriched uranium had extremely high downtimes of the order of 40%—this was due to the ‘teething troubles’ which are behind the slowdown in the nuclear programmes of various countries—we have recently learnt that the generation of reactors fuelled with natural uranium—in other words the Canadian-type heavy-water reactors—have had downtimes of less than 20%, which is equivalent to normal working. This difference is due partly to the fact that the reactors working with natural uranium are fuelled without having to be shut down—rather like an aircraft being refuelled in mid-flight—whereas the other type must be shut down for three weeks. In addition, this latter type has also had to be shut down because

of what I referred to before as ‘teething troubles’. These difficulties, however, now appear to have been overcome—particularly in the United States.

The United Kingdom—and Mr Normanton will be able to give us some more detailed information on this subject—is at present in the course of reaching a decision on what type of reactor to choose for the future, and there is extensive debate on reactors fuelled with natural and enriched uranium. Whatever route is taken in the future, however, there can be no doubt that the world requires a lot of enriched uranium.

Having said this, I feel that the European Parliament must deplore the fact that, in spite of our clear vote two years ago to be given all possible information on the two projects of the European Community—gaseous diffusion and ultracentrifuging—we have been told hardly anything up till now.

I said before that our knowledge had now increased. This knowledge, however, has come from other sources or has reached us from the other side of the Atlantic, where both these techniques are being investigated. No effort has been made to provide the common knowledge which would enable us to reach a decision, and this is a state of affairs which must be deplored. One decision has, however, been taken—to set up a large-scale gaseous diffusion plant (Eurodif). This was essential, since otherwise the situation would have become critical. The fact is that new centres decided upon after the end of 1975 and becoming operational in 1981 or 1982 may have no fuel, so that there is a risk of being left with plants which cannot operate. We must therefore welcome this proposal, even if it is not based on the information which would have allowed us to feel somewhat easier in our minds as regards the decision taken.

To come to the nub of the problem, Mr President, I shall now describe the features of these two systems. As was said previously, the gaseous diffusion system has two disadvantages; the size—the plant needed is extremely large—and the fact that it requires ten times more electrical power than the ultracentrifuging method to produce the same amount of enriched uranium. These disadvantages are aggravated by the fact that it is now much more difficult to have large amounts of energy available than was the case two years ago. To be perfectly frank, in spite of this I still favour the construction of a gaseous diffusion plant, for the simple reason that we can then be sure of the result. Ultracentrifuging will probably be the method of the future, as is shown by the fact that the United States of America—who are in the forefront of the field of uranium enrichment and have plants which

¹ OJ No C 55, 13, 5, 1974.

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supply the whole world—are working feverishly on this method. In other words, the ultracentrifuging method will probably outstrip the other methods by the 1980's or the 1990's. There is, however, one unknown quantity; hundreds of thousands of SWU's will be required by the beginning of the 1980's. If we are to carry out the amount of separation (this is the technical term used in this field) planned for 1985, we shall require several million SWU's with the present dimensions. It is a question of knowing how many hours these ultracentrifuging plants will really run out of the 8 760 hours laid down in the plans for normal working. Nobody can know this until 1978, since the ones now operational are special prototypes, and we shall have to wait and see what happens when hundreds of thousands of them have to be manufactured. Only around 1978 will we be able to state the capacity utilization of these plants.

We therefore feel that, although the prospects for the ultracentrifuges are good, it is safer to construct a gaseous diffusion plant.

In Europe, special high-resistance steels rich in chromium and nickel are used. The United States have advanced further and now use carbon or bromium fibres which have much higher mechanical strength and allow much higher speeds of rotation. Compared with the 400 metres per second maximum planned for the plants in Europe, the United States are working with peripheral speeds of 1 000 metres per second. In addition, whereas the turbines at present being studied in Europe will perform 2 kilograms of separation work per annum—or 4 kilograms at the very most—the corresponding figure in the United States is already between 10 and 20 kilograms. This will result in a reduction in the number of units and a reduction in the risk of downtime, since maintenance becomes easier with a lower number of units. This is an indication of the lead that American technology has over Europe.

So much for the information available to us; it is difficult to learn more because of the present industrial competition.

I should nevertheless like to express one personal conviction: I am surprised that, to construct a gaseous diffusion plant, it should be necessary to set up three nuclear reactors of 600 megawatts each in the Rhone valley, that it should be necessary to install so much nuclear capacity to operate a plant of this type. From what can perhaps be called an aesthetic point of view, I should have preferred the plant to have been in Canada. I realize that political motives are involved here, but we could have

built ultracentrifuge enrichment plants in Europe and in Canada without constructing so much nuclear capacity, simply by using electrical power.

I said before that it has been assumed that gaseous diffusion plants must always be on a grand scale. A month ago, I heard that there is an Italian patent for the construction of a gaseous diffusion plant of small dimensions. The solution is ridiculously simple. Uranium is enriched in stages, so instead of starting right at the beginning and going through the whole process, it is first enriched to a certain degree and this partially-enriched uranium is then put into a tank according to a process which—although it is admittedly slightly more expensive—had it been known two years ago, would have offered the enormous advantage of a parallel project with two plants of moderate size, with the precise aim of obtaining accurate costing data. We missed this opportunity because the procedure was not known to us at the time.

I am glad that Commissioner Dahrendorf is here, since he knows about the problem—on which I have often harped—of a documentation centre for all that is happening in the research field; it is essential to have such a centre, equipped with the most modern electronic storage equipment, so that data can be known in good time. I therefore repeat that, if we had had this information two years ago, we would have approached the problem differently.

As a result of the oil crisis and the increased impetus towards the use of nuclear energy, the countries of Europe will be able to sell their products. All problems of surpluses appear to have been overcome.

Another point arises from what Mr Burgbacher said yesterday at the meeting of the Working Party. The enrichment plants will no doubt be built, but will we always have natural uranium for them? Will we have it in 15 years' time? Canada, which has cheap electricity and also has the uranium, will probably prefer to sell enriched uranium. In this light, the idea of the Community participating in a uranium enrichment plant in Canada has the advantage that this is a simpler way of ensuring for the Community supplies of a material which may become scarce.

I cannot give any judgement on these observations—I only feel that I have to express them so that we can decide upon a policy for the use of our resources.

Before concluding, allow me to draw your attention to the fact that, in addition to these two methods in which the uranium is enriched in

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stages (in other words, step-by-step enrichment up to the required degree), laboratory experiments have already shown that it is scientifically possible to use a laser ray to enrich uranium in one single step. This system is still only at an initial stage, but the fact that, with a laser ray, it will be possible to enrich uranium in one single process may bring this method to the forefront in the future. At present, only four laboratories in America have adopted this technique: one is a university laboratory, two belong to the Atomic Energy Commission and one belongs to the Exxon concern. Some patents have recently been applied for in Europe as well, and we must therefore bear this possibility in mind—a possibility which is incidentally typical of the age in which we are living, an age in which a new technique can rapidly replace the old ones.

At the present time, however, it is the first two of the methods I have just described that we must take into consideration and on which our decisions must be based.

I should just like to state formally that there is an amendment to paragraph 3 in the proposal for a Council resolution and make clear that it is the German text which is authoritative, otherwise some other colleagues might have brought in an amendment.

I should like to finish by thanking Mr Springorum for having arranged for a high-level international hearing which will be held in the Energy Committee on Monday and Tuesday of next week. Since we must make every possible effort to progress from studies of sectors to wider-ranging studies, I feel that a hearing of this type will allow us to see the difficult problems in a wider context, which should help us to avoid mistakes.

May I also point out that, even in this field in which there is a plan for Community action, this extremely brief exposé has shown how much we run the risk of falling behind. In my humble opinion, therefore, the need for technological cooperation with the United States cannot be stressed too much. Without this, we may simply miss the boat. I might point out that this is one field in which we have the initiative, and that there are others in which this is not the case. A European agreement on general collaboration with the United States is thus the only way to achieve progress.

(Applause)

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

Mr Burgbacher. — *(D)* Mr President, ladies and gentlemen, on behalf of the Christian-Democratic Group, I should like first of all to propose that we thank the rapporteur, Mr Noè, most sincerely for his very competent, thorough and painstaking work. I would further suggest that we approve the Report and the Resolution.

And now let's get down to business. Since the oil crisis, all the larger Community countries have drawn up new energy programmes. They stand or fall according to whether the many reactors which it is proposed to build in the medium term, i.e. by the 1980's—estimates vary between 100 and 300—can be built. But we know that planning and construction take some ten years, and since we are now in 1974, we cannot expect to have reactors in use and producing electricity in 1984 unless they are begun today. If this reactor programme is not carried through, there will be a crisis in the electricity sector in the 1980's which will make the oil crisis look like child's play. One threat to the reactor programme is the way in which the requirements of environmental protection are handled under pressure from public opinion.

I can only hope that a reasonable compromise will be found between the requirements of environmental protection and the building of reactors. Otherwise I do not see how the Community's power industry can survive. The whole reactor building programme depends on enough uranium being available. There is enough available, but natural uranium is used so inefficiently that its useful life is, of course, much shorter than that of enriched uranium, which has an effective power many times that of natural uranium.

So the second essential point for our Community reactor industry is the provision of enriched uranium. The rapporteur discussed the two possible systems. They are very complicated, and there are perhaps only 50 men in Europe who really understand these systems, or one of them. Of the Member Countries of the Community, France, and perhaps Italy, are extremely interested in the gaseous diffusion process, and three Community countries—the Federal Republic of Germany, the Netherlands and the United Kingdom—use the gas ultracentrifuge technique. It is true that the diffusion technique is further developed than the centrifuge technique, but I would like to add that personally I favour the centrifuge technique. That does not necessarily mean very much, however. As the rapporteur indicated quite objectively, the two problems which have hampered the diffusion programme are that only large-scale plants are possible, and these use so much electricity that a special

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reactor has to be built for each enrichment plant, whereas the ultracentrifuge system uses only 10% of the power for the same output.

Furthermore, we must consider the size of the plants and the fact that we must reckon with an increased demand for enriched uranium in Europe over 10, 15 or 20 years, and it would be extremely difficult from the financial and economic point of view to set up a giant plant to cope with our demands in 20 years' time. The advantage of the ultracentrifuge system is that it can be built on the modular principle, i.e. according to requirements, and that it can be adapted to meet increasing demands by the addition of centrifuges to an existing plant. From the Community point of view, the problem of enriched uranium supplies can probably only be solved if we in the Community build our own uranium enrichment plants to meet our own requirements.

We are, of course, prepared to do this. And we do not necessarily have to keep to one system only, especially in view of the fact that if a crisis were to arise, which we neither anticipate nor want, but which we must consider as a possibility, the uranium enrichment plant would be a highly sensitive and very vulnerable point if it were the only plant for the whole Community.

The Community must plan to enrich uranium itself, and natural uranium is required for this. The uranium supplying countries of the world are a relatively small club, smaller than that of the oil supplying countries, the main ones being Canada, South Africa and Australia. And now, as I said on another occasion in this Assembly, the uranium supplying countries seem to have taken a leaf out of the oil supplying countries' book, especially the policies of the Shah of Persia, who would prefer not to let any more oil leave his country, only the refined products which he himself produces. I have it on reliable authority that some, at least, of the uranium supplying countries are considering banning the export of natural uranium, and plan to enrich it themselves and deliver only enriched uranium.

If this were to happen, it would be fatal for the Community's uranium enrichment plans and jeopardize our whole future. For as far as reactors for nuclear physics and nuclear electricity are concerned, we would be just as dependent on the uranium supplying countries as we were on the Arab countries for oil—or still are, for that matter. This is a very serious danger.

Now, gentlemen of the Commission, we have a Euratom Treaty. It is one of the three legs on which you stand, legally speaking. And this

Euratom Treaty mentions an Agency, and has a clause stating that raw materials for nuclear physics and reactors should only be obtained through the Agency. We have, in fact, an obligation to the Agency. But, according to general legal principles, every obligation we have implies an obligation on the part of the Agency.

I should like to take advantage of the debate today to appeal to the Commission to ensure that the Agency either obtains concessions or secures contracts for adequate supplies of uranium in the medium or even the long term. Then and only then can our reactor construction programme be guaranteed both as regards technology and raw materials. The provisions of our Treaties mean that we cannot sign contracts for uranium without the Agency.

I should like to close with this appeal, without over-stepping my allotted time. But this is a very important matter. Let us continue to follow the development of both systems carefully, and allow them to develop freely, but we should also remember that two countries of our Community are atomic powers and that the seven others have no atomic weapons, a fact which is of some consequence as regards the amount of uranium we require.

(Applause)

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

Mr Flämig. — (D) Mr President, ladies and gentlemen, we too would like to thank Mr Noè for his report. The Socialist Group has always taken it for granted in its discussions that nuclear energy will play an increasingly important part in supplying the European Community with electricity and industrial heating. The Socialist Group has always recognized that the light water reactor and the high temperature reactor will probably remain the most important types of reactor generating nuclear energy for peaceful purposes until the end of this century, even if it proves possible to develop the fast breeder reactor to the stage where it becomes economically competitive and thus provides the link between the first and second generation of reactors used for nuclear fusion and a new kind of energy source. As we have just heard, both the light water reactor and the high temperature reactor use enriched uranium, which at the moment is obtained mainly from the USA, although some may also be supplied by the Soviet Union.

It is already obvious, however, that in the 1980's these two States will need most of their enrichment capacity for their own nuclear power

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stations. The European Community realized that it would need to build its own enrichment plants years ago, and stressed the fact clearly. The only question—and the rapporteur discussed this in detail—was which process should be used. The obvious and only answer for France, Belgium, and also Italy, as we have heard, and for certain other states as well, was gaseous diffusion. This process has been tested over 30 years, the technology has been perfected and it has also proved itself in the military field. These countries have accepted its one big disadvantage, namely that a single plant, as we have just heard, uses 2 500 megawatts, or one tenth of the total French energy production, so that operating costs are very high.

The choice was just as clear for the other countries—the United Kingdom, the Netherlands and the Federal Republic of Germany have been mentioned, but I could also add a few others—for them the only answer was the gas ultracentrifuge system. The technology of this process has not yet been perfected—it is still being developed, but it is very promising because it is so flexible. The capital investment costs are admittedly high, but it consumes considerably less energy.

Which system, then, should be promoted in the European Community? On 16 March 1973, Mr President, this House moved that there should be cooperation at Community level among the Member States concerned in uranium enrichment. This would yield objective data on the different isotope separation processes as a basis for a decision. As we know, this recommendation was not followed. Neither group of countries would change its mind. So the Commission decided, perhaps with a tinge of resignation, to recommend both systems. This compromise immediately conjured up the ghost of overproduction. Then, when alarms were sounded from all quarters about an impending uranium mountain—similar to the much-quoted butter mountain—the Commission decided to put forward a proposal for a Council Resolution, on which the views we are discussing today are based. The catch phrase, one might say, is 'concerted action'.

This is the situation as we see it, and we deeply regret the European Community's often manifest lack of power and influence. The Commission recommends that Eurodif and Urencos should coordinate the construction and operation of the two enrichment systems, and, as we heard with great interest, should also cooperate when it comes to 'downtime'. This would mean that at least something was achieved, and we are naturally in favour of that.

Mr President, the Socialist Group is somewhat more cautious when it comes to the recommendation that competition be maintained whilst the two systems are being developed. We are all for competition, as long as there is also equality of opportunity. So if the passage which talks about 'maintaining competition until 1985' means that the European Parliament is opposed to a closed market for enriched uranium in the Europe Community, then we agree.

But we do not want a repetition of the agricultural market in the energy sector. We cannot agree to any suggestion that the relatively new gas ultracentrifuge technique, which is still being developed, should compete on a largely private economic basis with the diffusion technique, which is for the most part technologically advanced and is also fully controlled by state undertakings which can manipulate their prices in any way they like. On the contrary! We believe it is a basic duty of governments to promote new technology, first of all individually at the national level but also, after coordination, at Community level. This includes not only subsidies and guarantees, but also, under certain circumstances, tax concessions. These tax concessions could also be used to protect the European uranium enrichment capacity from the ruinous competition which, as Mr Burgbacher has just said, is now threatening us from outside the Community. We must not allow the same thing to happen in the uranium market as once happened in the coal sector. Only when the new technology has progressed to a point where we can talk of truly equal opportunities will genuine competition between the two systems be possible and justifiable.

We therefore propose—I add this straightaway, Mr President, so we shall not need to ask to speak again—that we vote separately on paragraph 5 of the motion for a resolution, which should read as follows:

'5. Considers that, given their respective technical development potential, the two techniques for uranium enrichment should be pursued, after equal opportunities have been created, against a background of free competition as regards plant construction and operation;'

As for the appeal to the electricity suppliers—for they, after all, are the consumers!—to obtain their supplies of enriched uranium primarily from European plants, we hope that it will be heard when the time comes. But the motion for a resolution still talks about the risk of enriched uranium overproduction and we rather doubt whether this fear is still realistic today. The Arab oil producers, with their

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boycott, have changed the whole pattern of the world energy market. The latest French nuclear energy programme shows that in the 1980's France alone will need considerably larger supplies of enriched uranium. No doubt other European countries will also review nuclear reactor programmes.

It looks at the moment as if both Eurodif and Urenco will survive or will be able to survive. It is unlikely that there will be any 'uranium mountain'. Paragraphs 6 and 7 have therefore been overtaken by events, and I leave it to the rapporteur to decide whether he should keep these paragraphs in the text or perhaps delete them.

May I make one final remark, Mr President. We should like to add our support to the criticism which has been voiced here of the fact that the Commission once again did not think fit to consult the European Parliament—a fact that we take very seriously. We spend hours here discussing the sugar market, olive growing, the quality of wine and beer, types of trailer coupling and windscreen glass, etc. This is all very important, of course, but so is uranium enrichment! Guaranteeing energy supplies for the last third of this century is an important European task.

It is a project which will cost many thousand million units of account, and the question of cooperation in uranium enrichment is fundamental. We want to have our say in it too. Apart from the change we have proposed in paragraph 5, we support the resolution.

(Applause)

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

Mr Normanton. — On behalf of the European Conservative Group, I should like to welcome this paper and also to thank and congratulate Mr Noè on the valuable contribution—one of many—that he has made to the long list of resolutions and papers presented to this Parliament on the subject of energy.

This report is a sober reflection of the lamentable lack of Community decision-taking on energy in general and on uranium enrichment in particular. It avoids the pitfall of making extravagant and unattainable demands on the institutions of the Community and the economy of Europe. It reflects the technological complexities and the wide range of differences of view on how the enrichment of uranium should be carried out.

The report also reflects not only the fear of European parliamentarians that Europe may be caught with an inadequate uranium enrichment capacity, particularly in the 1980s, but also the real danger, which has already been voiced today, of the possibility of over-production of enriched uranium if we do not get our figures and forecasts right.

As a member of the European Conservative Group, may I respond to Mr Noè's question about the system which we in the UK may be proposing to adopt for nuclear reactors? I regret that, as circumstances are no longer under our control, I cannot disclose the confidences of Her Majesty's Government at the moment. But a debate is expected to take place in the House of Commons on 2 May. It is not unusual for such a debate to be prefaced by, or the occasion of, a ministerial or governmental decision, and that may happen.

But I would also express the earnest hope that the UK Atomic Energy Authority's vast experience with nuclear reactors will not be lost. I hope that after the intensive research, in terms both of money and of mental involvement which has taken place over the years, the advanced gas-cooled reactor system finds recognition in the policy statement which I hope will be made on 2 May.

The Community as an institution has not yet reached the stage of structural development in which it could mount a major Community-based, Community-operated and Community-financed enrichment project. It may one day reach that stage, but we have a long way to go. Therefore, the Community should concentrate its efforts on encouraging active and energetic progress in the construction of processing capacity by consortia. In this connection, one should mention the existence of two such consortia—Urenco and Eurodif, each developing a uranium enrichment capacity according to its own judgement of the technological merits of the systems available.

In this field, therefore, the rule of the Community should be one of coordination by consultation, and not enforcement and standardization by the process of legislation.

The second point is that the Community should not repeat in the uranium field the mistake that was made by Europe during the last 20 or 30 years on oil. The sourcing of natural uranium must be diversified, and the basis of the source of supply should be influenced by the political reliability of the countries overseas from which that natural uranium is to be drawn, until, perhaps—if possible—indigenous supplies are available inside Europe. But we should not at

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any time ignore the strategic factors as well as the economic factors relating to the sourcing of supplies of natural uranium.

Thirdly, the Community must take the most energetic steps to establish considerable buffer stocks of natural uranium, and to do this on a Community-wide basis but not a Community-financed or Community-owned basis.

From the point of view of physical bulk, such a problem is not excessive, considering the potential energy reserves which should and can be held in hand, by comparison with the total energy reserves which would be involved were oil to be the physical unit of stock.

Fourthly, we should also impress upon the Member States the urgency of establishing nuclear power-station production programmes not just on the scale which appears to be the case today but on a vast scale—and the earlier these decisions are taken the earlier a realistic assessment can be made of the size, nature and distribution of the enriched uranium capacity which would be needed to fuel them.

Fifthly, as Conservatives we welcome the reference to the adherence to the competition rules laid down in the Treaty of Rome, but as empirical politicians we recognize that the observance of the rules of competition may need to be less slavish, if the vast and rapid investment in nuclear power generation and the establishment of an adequate enriched uranium capacity is to take place.

We welcome Mr Noè's recognition of this in his report and we, as a Community, may have to adopt a similar view to encourage and facilitate the holding of stocks of natural uranium as well as reserve supplies of enriched uranium.

Lastly, I hope that we shall not allow our concern for fuel for the present generation of reactors to divert our researches and our investment in research from the intensive efforts needed in connection with reactors based upon the system of fission or hydrogen. The nearer we can move towards the point where we have available to us, in our own geographical and political control, the fuel for such reactors, the better.

With these observations, the European Conservative Group welcomes Mr Noè's report and advocates its adoption. We would impress upon Mr Noè, with other Members of this Parliament, and upon the Commission and the Council of Ministers the serious and urgent need for a full and comprehensive range of policies in this field.

IN THE CHAIR: MR BURGBACHER

Vice-President

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

Mr Bousch. — (*F*) Mr President, ladies and gentlemen, over a year ago, our Parliament adopted unanimously a resolution on the proposal from the Commission to the Council on the creation of a Community enriched uranium capacity.

Our Parliament welcomed this proposal, which concluded that it was necessary to reach a decision, before the end of 1974, on Community strategy for ensuring supplies of enriched uranium.

Subsequently, on 22 May 1973, the Council of Ministers adopted a resolution stressing the need for the Community to acquire such a capacity for a substantial and growing proportion of Community requirements to be met from 1980 onwards. A standing Committee was set up to study uranium enrichment. Today, we have a new proposal to the Council, based on the report presented by this Committee.

This proposal is based on the fact that, with the growing production of electricity from nuclear power two problems arise: that of the industries' capacity to build power stations and train the necessary manpower to operate them, and that of the creation of enriched uranium capacities.

Faced with the necessity of obtaining uranium from sources other than the supplier who is at the moment virtually the sole supplier, a well-known American company, the Commission has attempted to develop isotope separation technology in order to produce the required enriched uranium itself.

The two possible processes, gaseous diffusion and ultracentrifuging, have both been studied and developed, and, in particular, two consortia have been created, Eurodif and Urenco, each including a number of countries in our Community.

Although the ultracentrifuging process appears more modern and more flexible, so that it can more easily be adapted to meet requirements, it has not yet been developed on any large scale, and so the gaseous diffusion process currently appears to be the only one that is operational. There is still room for further progress in this field, so that a greater degree of flexibility will probably be achieved to cope with the demand.

Bousch

The Commission has greatly regretted the fact that these two techniques, represented by Eurodif and Urenco, are being developed separately without the necessary cooperation which would have led to more rapid progress and, in the immediate future, to financial savings.

We must now make sure that the production resulting from the development of these two techniques is adequate to meet the probable demand at the beginning of the next decade.

Our rapporteur, Mr Noè, whom I too would like to thank for his remarkable and very interesting report, has given us a very precise analysis of the problem. He recalls in paragraph 21 that in a resolution adopted in March 1973, this Parliament had expressed the wish that cooperation at Community level would be established between the parties interested in the enrichment of uranium, so as to enable 'objective data to be laid down concerning the different techniques of isotopic separation of uranium, bearing in mind the fact that such data are necessary for decisions to be taken with a full knowledge of the facts'.

It now seems—and Mr Simonet, Vice-President of the Commission, reminded us of this during the debate held on 17 January last—that the fundamental idea of both the Commission and the Copenhagen summit was that the two techniques would be put into operation jointly, but that it was necessary to act in such a way that their joint implementation would be backed by a joint determination for cooperation and harmonization.

At the moment, it is obvious that there is a refusal to cooperate in the preparatory stages of the decision-making process. It is not simply a case of organizing cooperation, but also of finding out how to alleviate the problems which may result from the simultaneous development of two different processes and how to avoid at the production stage problems arising with respect to the sale of the enriched uranium produced.

This problem, with which we have been concerned for a long time, may appear less serious at the moment, since it seems that our needs in the years 1982 to 1985 will be such that there will be no serious consequences from the fact that two processes are being put into operation. New estimates of our demands make it less and less likely that there will be excess production; the problem of financing surplus stocks, which the Commission had proposed should be the Community's responsibility, is therefore of less interest now.

But since the uranium enrichment programme was to have led to joint and concrete efforts, based on a permanent cooperation arrangement, we can only record our failure to cooperate, and regret, along with our rapporteur and the committee in its resolution, the situation that has thus been created, while hoping that a more efficient system of cooperation will be organized for future operations.

Something concrete has, however, emerged from this proposal, namely the principle that consumers should preferably obtain their supplies from the European producers, in order to avoid problems with stocks and consequently with the financing of them.

For these reasons, we support the proposal submitted to Parliament today.

However, like others before us, we regret that once again the Commission is simply making a statement of fact and is content with proposing to consolidate this fact instead of trying to introduce a Community proposal.

The same thing happened in the Economic Committee, where there are, in fact, two groups of countries; one favouring the Community snake, the other remaining outside it; on the other hand, proposals for monetary union only lead to the suggestion that the two divergent streams should be maintained.

I will not dwell any longer on this topic; I think the Commission understands my views. I hope, however, that I may be allowed to say in conclusion how much we regret that in such an important matter, I would even say one of the most vital matters for the economic development of the Community, Parliament has not been consulted, and that the Energy Committee has had to take the initiative in a debate of this kind. I congratulate both it and its Chairman.

I confirm that we will vote in favour of the motion for a resolution which has been tabled.

(Applause)

President. — I call Mr Dahrendorf to state the position of the Commission of the European Communities on the amendments adopted by the Parliamentary Committee.

Mr Dahrendorf, member of the Commission of the European Communities. — (D) Mr President, I hope that you and the members of this Assembly will not think I am being cynical if I too begin by thanking the rapporteur. No cynicism is intended, even though as Mr Flämig and Mr Bousch have both reminded us, in this case the Commission did not consult Parliament. My col-

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league Mr Simonet, whom I am representing here, reminded me that when the Commission had to make its decision, it was working to a very tight time schedule. This was mainly because the delivery conditions for enriched uranium from the United States stipulated time limits, and thus it was necessary to put forward proposals very rapidly, for the guidance of consumers. I should like to take this opportunity to say that the Commission does not, of course, make a habit of acting in this way and that in its correspondence with the Council it has frequently made it clear that it considers consultation with Parliament to be essential.

The main point of the Commission's proposals, on which we have spent a great deal of time, emerges quite clearly from all the speakers' remarks, and is also clearly stated in the report. At the time when we were confronted with this problem, we simply did not consider it realistic to suggest the creation of a single Community enrichment capacity, an enrichment capacity deserving of the word 'Community' in the strict sense. It seemed to us much more sensible, in view of the two parallel developments which were being initiated, to concentrate on the desire for cooperation, based on definite principles and in turn implying definite principles.

In the first place, cooperation was intended to mean that both systems could be developed—and plenty of comments have been made on what this means for the interpretation of the concept of competition, for example.

Secondly, it was necessary to ensure that this concertation of effort did not mean that, in spite of the existence of two systems, the Community would cut itself off from the outside world, i.e. that it did not invent methods—analogies have been used here—which would make cooperation with third parties impossible.

Thirdly, it was intended that this system of cooperation should include an understanding that there would be full competition after an initial period, which was in fact specified. At any rate, cooperation should be so organized from the outset that it would be possible for competition to develop at a later stage. This is how the Commission's proposals should be understood. The question naturally arises as to how such proposals can be put into effect, which method is the most suitable. When I read the report and its proposals, which could well go beyond the views of the Commission and possibly also those of the Council, as they have been expressed hitherto, I realize that there are certain differences between the Commission's and the rapporteur's ideas on the methods to be used. The Commission believed, and still belie-

ves, that in creating and developing the two systems, care should be taken that economically equal conditions are maintained—a view which also emerges from the report. I believe that further advantages, such as tax preferences, should not be granted. The Commission sees no reason to change its mind on this. It does not believe that the principles I have just referred to will allow tax preferences. It believes that tax preferences would make for unequal economic conditions.

On the other hand, I should like to state on behalf of the Commission that the suggestion put forward by Mr Flämig as Amendment No 2 is in accordance with the Commission's views as I have just explained them, namely that further development work should be carried out after equal opportunities have been created within a framework of free competition, and that there should be an initial period and a final target phase with different competitive conditions.

The matter of over-capacity is now, of course, seen in a different light from a few months ago, although, Mr President, you yourself have once again stressed that over-capacity can be a structural problem in certain circumstances, i.e., that over-capacity is not only a quantitative problem but one that also depends on the practical possibilities of constructing within a given time limit the reactors which will use the enriched uranium. The reference in the Commission's proposal to reserve stocks and the allocation of a certain sum for emergencies should be understood, Mr President, as meaning an upper limit, that limit being, moreover, a relatively small sum, to give the Community certain powers of intervention. It should not be considered the start of something which has here, on occasion, been compared with the Common Agricultural Fund and the special budgetary methods connected with this fund, where the upper limit is not always easily defined.

In fact, if I may be frank, some people in the Commission were afraid that the Community intervention might be too considerable and strongly advocated that an upper limit of 200 million u.a. be set right from the start, in order to ensure that the intervention would be limited and used only as a last resort to guarantee the reserve stocks. The Commission is still convinced that these measures are appropriate. It thus shares the rapporteur's view that it would be advisable to create buffer stocks. Mr Normanton also made his views clear on this, but the Commission maintains that the possibility of Community financing for these stocks must be limited.

It remains for me to say, Mr President, that I took your remarks on the supply Agency and

Dahrendorf

natural uranium very seriously. I will report them to the Commission. It is a fact that supplies for the reactors which will come into service after 1977 and 1978 are not yet guaranteed. The Agency, as it is obliged to, is making every effort to ensure supplies, but at this moment, as you yourself have pointed out, this is particularly difficult. That is to say, all countries holding raw materials are quite obviously rethinking their policies, which will not make it any easier for buyers of raw materials to find sources to meet their requirements.

I should like to state quite clearly—I believe Mr Noè mentioned this in his report—that our interest in comprehensive documentation on the state of nuclear research and development remains undiminished. There are points at which we may be touching on secret matters, and this may sometimes restrict the documentation, but I will take up this suggestion, especially as it comes under my immediate responsibility as the Commissioner for scientific and technical information.

I have pointed out where the Commission can agree with the proposals and where it cannot. Let me in conclusion state quite clearly that we shall definitely comply very shortly with the wish expressed so forcibly by many speakers that we should incorporate these ideas on a uranium enrichment capacity into our overall ideas on energy policy. At the moment, the main topic of Commission discussion is energy policy, including energy research. The publication entitled 'Towards a new energy policy strategy for the European Community' will meet these requirements. Perhaps it will be somewhat easier to discuss particular topics connected with the various systems and their possibilities when we have this overall framework available.

(Applause)

President. — Thank you, Mr Dahrendorf.

Does anyone else wish to speak?

We shall now consider the proposal for a Council resolution, setting aside consideration of the resolution proposed by the Parliamentary Committee.

On paragraph 3 I had Amendment No 1 tabled by Mr Scholten and worded as follows:

'At the end of this paragraph, delete the words: "tax preferences could be granted".'

After conferring with the rapporteur, the author of the Amendment has withdrawn his Amendment, which was the result of a linguistic misunderstanding, as Mr Noè has already pointed out.

I call Mr Springorum.

Mr Springorum, rapporteur. — (D) Mr President, I should just like to say the following: a linguistic problem has arisen not only in the Dutch but also in the German. Mr Dahrendorf said that no provision has been made for tax preferences. The Committee did not want these either. It only wanted the possibility of protecting our own energy investments against third countries by means of tariff preferences. I can also speak for Mr Scholten here, who will withdraw his proposed amendment if Parliament agrees that the term 'tariff preferences' should be used. We are thinking of a case such as we have just had with mineral oil and which the Commission, too, put forward as a possibility for the new energy policy in its document on energy. The Committee intended nothing more than this. I therefore ask that the amendment should be made to read 'tariff preferences'.

President. — Does anyone else wish to speak?

In accordance with the proposal by Mr Springorum, the different language versions of paragraph 3 will be harmonized to read as follows:

'tariff preferences could be granted.'

We shall now consider the motion for a resolution tabled by the Parliamentary Committee and which had been set aside.

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

Does anyone wish to speak?

I put these texts to the vote.

These texts are adopted.

On paragraph 5, I have Amendment No 2 tabled by Mr Flämig and worded as follows:

'Paragraph 5 should read as follows:

'5. Considers that, given their respective technical development potential, the two techniques for uranium enrichment should be further developed after ensuring equal chances for all against a background of free competition as regards construction and operation.'

What is the opinion of the rapporteur?

Mr Noè, rapporteur. — (I) I accept Mr Flämig's amendment.

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

On paragraphs 6 to 10, I have no amendments or speakers listed.

President

Does anyone wish to speak?

I put them to the vote.

Paragraphs 6 to 10 are adopted.

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

The resolution as a whole is adopted.¹

*7. Commission Memorandum
on the implementation of energy policy*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Springorum on behalf of the Committee on Energy, Research and Technology on the Memorandum from the Commission of the European Communities to the Council on the implementation of the 'Guidelines and priority measures for a Community energy policy' (Doc. No 42/74).

This proposal by the Commission will be dealt with by simplified procedure.

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

*8. Regulation establishing a procedure
of consolidation*

President. — The next item is a debate on the report drawn up by Mr Memmel on behalf of the Legal Affairs Committee on the proposal from the Commission of the European Communities to the Council for a regulation establishing a procedure of consolidation (Doc. No 46/74).

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

Mr Memmel, rapporteur. — (D) Mr President, if you open the Official Journal of the European Communities at the end of the year, you will see from the numbering that last year the Communities churned out 3 613 regulations. And if you want to round off this production survey, you must add numerous guidelines and other decisions. I can tell you that the mountain of legal documents grows by about a metre a year. Of course it is impossible to predict this mountain of legal documents; and if a subscriber to

the Official Journal actually decides to collect it, it can happen that he is literally forced out of his own house as a result of the frantic rate at which European legislation is increasing.

Of course the problem of EEC legislation can be belittled by a number of arguments, e.g. by pointing to the many 'nine days' wonders', that is regulations which apply to current market regulation measures, especially in the agricultural sector. In the Official Journal you will still find, for instance, regulations on the sale of the 1967 apricot crop. If someone hits on the idea of checking, for example, on the refund amounts for albumin exports—they do exist!—in third countries, he goes and fetches the collection of legal documents which the Commission kindly publishes and which comprises 150 volumes in all. Then he looks for a regulation in the five volumes on agricultural market egg products; he then finds amendment No 17. There, in Article 7 of amendment No 17 he finds a reference to amendment No 13. He then discovers to his dismay that this was only a prolongation, turns back to amendment No 6 and finds once again a reference to the source. After all this he dejectedly shuts all these volumes, mutters to himself that he cannot cope with European legislation and lets the whole matter drop. These are the practical realities, and because this state of affairs, which can only be described as deplorable, ought to be changed, there was pressure as much as two years ago for an overall pruning of European legislation, with a view to the publication of an amended collection of the Community's legal documents.

The Commission has now begun to tackle this problem, albeit over-cautiously and with particular delicacy. In October 1973 it helpfully—and here I come at last to the main point—issued a proposal for a regulation on a so-called procedure of consolidation. This procedure of consolidation was examined in the Legal Affairs Committee; this Committee has already adopted the original text with a few votes against. Subsequently this subject was once again discussed thoroughly in the Legal Affairs Committee, and in the sitting of 9 April the proposal for a resolution and the following justification were unanimously adopted.

Thus the aim of report No 46/74 before you is simply to make Community legal regulations clearer and thereby to achieve some certainty as to the law. In addition it proposes that legal documents that have been supplemented by a number of modifications be combined into a single text and published in this form in the Official Journal of the European Communities.

My recommendation to my fellow members of this Parliament—and here I come to an end—

¹ OJ No C 55, 13. 5. 1974.

Memmel

please adopt this motion for a resolution. A recommendation to the Commission: please publish the consolidated texts in the so-called L-series so that it will no longer be necessary to look in all sorts of Official Journals. Above all, one more recommendation, namely that the Commission consider whether it is perhaps possible to introduce an even more customary system of consolidation, namely a genuine one whereby all out-of-date documents are removed so that everything is more neatly arranged and easier to use.

(Applause)

President. — I call Mr Dahrendorf to state the position of the Commission of the European Communities on the amendments adopted by the Parliamentary Committee.

Mr Dahrendorf, Member of the Commission of the European Communities. — *(D)* Mr President, the Commission can neither add to nor refute the rapporteur's graphic description of the situation. It is grateful that the rapporteur shares its opinion that the consolidation needs to be presented more clearly. It can agree to the amendments which are being proposed.

President. — Thank you, Mr Dahrendorf.

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 as a whole to the vote.

The resolution as a whole is adopted.¹

9. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Wednesday, 24 April, with the following agenda:

10.30 a.m. and 3.00 p.m.:

- Question Time;
- Combined debate on Oral Questions
 - by the Political Affairs Committee on the present state of the Community,
 - by Mr Durieux on the Commission's role as guardian of the EEC Treaty,
 - by Mr Durieux on improper procedure in deliberations by the Council;
- Report by Mr John Hill on aid for sea-fishing;
- Report by Mr Dunne on Norwegian fishing products;
- Report by Mr Martens on the common organization of the market in sugar;
- Oral Question, with debate, by Mr Gibbons and others on the EAGGF;
- Oral Question, with debate, by Mr Jakobsen and others on price increases in agriculture.

The sitting is closed.

(The sitting was closed at 7.35 p.m.)

¹ OJ No C 55, 13. 5. 1974.

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IN THE CHAIR: MR BERKHOUWER

President

(The sitting was opened at 10.40 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. *Documents received*

President. — I have received the following documents:

- (a) from the Council of the European Communities, a request for an opinion on amendments to the proposals from the Commission of the European Communities to the Council for

I. Regulations concerning the level of the maximum quota applicable to sugar during the 1974/75 marketing year.

II. A regulation supplementing Regulation No 1009/67/EEC on the common organization of the market in sugar.

(Doc. 59/74).

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

- (b) report by Mr Thomas Dunne 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 amending Council Regulation No 3609/73 of 27 December 1973 on the customs arrangements applicable to certain fishery products originating in Norway (Doc. 61/74);

- (c) the following oral questions with debate put to the Commission of the European Communities:

— by the Committee on Public Health and the Environment on the threat to the the Dollart nature reserve (Doc. 62/74);

— by Mr Premoli and Mr Durieux on behalf of the Liberal and Allies Group on the harmonization of nationality laws (Doc. 63/74).

3. *Question Time*

President. — The next item is Question Time (Doc. 53/74).

We shall first deal with questions addressed to the Council of the European Communities.

I call Oral Question No 1 by Lord O'Hagan on the application of Article 113 of the EEC Treaty:

'Does article 113 of the Treaty of Rome cover all commercial agreements contracted by Member States?'

I call Mr Apel to answer the question.

Mr Apel, President-in-Office of the Council of the European Communities. — (D) Mr President, Article 113, paragraph 1 of the Treaty of Rome, reads, inter alia: 'After the transitional period has ended the common commercial policy shall be based on uniform principles particularly in regard to ...the conclusion of tariff and trade agreements...'

In implementation of this principle, paragraph 3 of this Article, together with Article 114, sets out a procedure for negotiation and conclusion of trade agreements by the Community with third countries.

In view of the fact that Community trade agreements cannot in practice be substituted for bilateral agreements in all cases without a transition period, the Council, by its decisions of 16 December 1969 and 19 December 1972, based on Article 113, has authorized the prorogation, conclusion or modification of bilateral trade agreements within given time limits and according to certain procedures in order to ensure that these agreements do not constitute obstacles to the implementation of the common commercial policy.

In the light of the aforesaid, the question of the Honourable Member can be answered in the affirmative.

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

Lord O'Hagan. — Does the President's answer confirm that the Community's commercial policy works only in so far as individual Member States do not wish to undercut it by the device of cooperation agreements?

President. — I call Mr Apel.

Mr Apel. — (D) Mr President, at its last meeting, the Council of Ministers discussed a Commission proposal on cooperation agreements and joint consultation; it has, however, not yet arrived at a final opinion. Thus I cannot say anything more on behalf of the Council of Ministers today. But I will add the following, on behalf of the Federal Government: we feel that it is obvious that consultation for cooperation agreements must take place at Community level, indeed, that we must ultimately arrive at a situation in which cooperation agreements will also come within the competence of the Community, since it would otherwise certainly be possible to undercut the Community's commercial policy by means of bilateral cooperation agreements. I am afraid, Lord O'Hagan, that cooperation agreements could even be used to undercut more than the Community's commercial policy, namely Community policy as a whole. And for this reason, on behalf of the Government which I also represent here, you have my full support in drawing attention in your question to the danger of cooperation agreements being used as instruments to undermine the Community.

President. — I call Oral Question No 2 by Mr Brewis on the Caracas Conference on maritime law:

'The Council is asked what will be the Community's position at the Caracas Conference regarding the exploitation of marine resources on the continental shelf beyond the limits of territorial waters?'

I call Mr Apel to answer this question.

Mr Apel. — (D) Mr President, the problem referred to by the Honourable Member, which is one of the many to be discussed at the next meeting of the Third Conference on the Law of the Sea, has in fact not yet been examined in detail by the Council. Proceedings on this item will begin at the end of April within an ad hoc Working Party. The Council cannot therefore reply to Mr Brewis's question at the present stage of its proceedings in the matter.

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

Mr Brewis. — But is it not extraordinary that the Council has been so dilatory considering the most important issues which will be raised at this Conference, particularly as proposals have already been made by the Commission?

Can the President-in-Office tell me when he will be in a position to answer questions on this subject, and will the matter be discussed with the appropriate committee of this Parliament?

President. — I call Mr Apel.

Mr Apel. — (D) Mr President, I have just pointed out that the Council's work on this subject will begin in an *ad hoc* working party at the end of April. That is all that is certain. In general, all one can say about the work of the Council is 'We know when it will begin. When it will be finished is never certain.'

Mr Fellermaier. — (D) Very true!

President. — We now proceed to questions put to the Commission of the European Communities.

I call Oral Question No 3 by Sir Tufton Beamish on aid to be given to Palestinian refugees:

'In view of the common Community policy towards the Arab/Israel dispute and the undertaking at the Copenhagen summit meeting to guarantee a peace settlement, what steps are being taken to coordinate and increase the aid given in money and kind to Palestinian refugees?'

I call Mr Cheysson to answer the question.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, the Commission is fully aware of the significance of the problem of the Palestinian refugees, to which the Honourable Member has called the attention of the House. May I be permitted to say that this is a subject in which I take a great personal interest as a result of the travels which I have just completed in the Middle East and the trip to the Lebanon which I am to make this very afternoon. The Commission is thus endeavouring, within the limits of its budgetary resources, to put into effect a programme of aid for the Palestinian refugees, pending a satisfactory definitive solution.

Following a proposal submitted by the Commission in July 1972, the Council of Ministers approved, in December of the same year, the methods to be used in a triennial aid programme in the form of food to be provided by the Community to Palestinian refugees through UNRWA, the United Nations agency set up in 1948 for the implementation of relief and aid programmes for Palestinian refugees. Within the framework of these UNRWA programmes the Community provides, from its own budget, free sup-

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plies of cereals, milk powder, butter-oil and sugar. For the 1972-73 campaign this aid was increased to approximately 7 million u.a.; for the 1973-74 campaign the allocation on the Community's budget will be increased to approximately 10 million u.a. It must be stressed that, in addition to the deliveries which I have just quoted to the House, the actions of Member States and of the Community have been coordinated. For example, 7 000 tons of cereals were provided by Member States in the 1973-74 campaign. Besides this, the Community provides, out of its budget, aid in kind amounting to 1.6 million u.a. per year, which is intended to cover the working costs of the UNRWA distribution centres.

Thus, Mr President, the total food aid provided from the Community's budget represents a not inconsiderable proportion of the UNRWA budget, namely approximated 8.6 million u.a. in 1973, or 12 percent of the Agency's budget, and 1.6 million u.a. in 1974, or 16-17 per cent of the Agency's estimated budget for this year. If we recall that this percentage was 0.5 per cent in 1971, the House will realize that the concerns expressed by the Honourable Member are indeed shared by the Commission and the Community.

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

Sir Tufton Beamish. — Mr President, I thank Mr Cheysson for that encouraging reply. None the less, he will be aware that in spite of the bilateral aid given by member countries and by the Community as such in 1973, there was a shortfall of four million dollars in UNRWA's budget last year. This may well mean that there will be a cut in the education budget, which would be very unfortunate. Is there not a clear case for itemizing the aid given in money and kind in the Community budget so that everybody can see it clearly?

President. — I call Mr Cheysson.

Mr Cheysson. — (F) Mr President, because of price rises, the United Nations Agency is at present in a very grave financial situation. It foresees a deficit in the order of 11 million dollars for 1974. Because of these difficulties, it even envisages simply cancelling certain parts of its programme, for example the preparatory stage for secondary and technical education. -

The Agency thus asked the Commission for additional assistance. During their discussion in December 1972, the Foreign Ministers of the Member States expressed themselves in favour of a health education programme to complement

the food aid programme. The departments of the Commission subsequently prepared a programme of aid in this field, additional to that represented by the figures which I have just quoted to the House.

However, after the Middle East war in October 1973, it did not seem desirable, for political reasons, to carry out this programme, or at any rate to construct medical or educational centres which could give the impression that the Community recognized as a status quo a situation which was clearly intolerable to the Palestinians.

Nevertheless, as Sir Tufton Beamish quite rightly emphasized in his supplementary question, the Commission cannot remain deaf to the appeals of the United Nations Agency, particularly as the appeals are arriving in increasing numbers from all sides, the most recent coming from the Palestinian Liberation Movement, which, in a recent communiqué to the Arab League, requested that the United Nations Agency programmes should under no circumstances be curtailed. This request has, moreover, been made to me repeatedly by the various governments of the countries in this region which I recently visited.

In the next few days, therefore, the Commission intends to examine the possibility of setting up an additional emergency programme for aid in the education field.

Discussions with the departments of Sir John Rennie, Commissioner General of the UNRWA, have indicated that this body would be very grateful if the Community would bear part of the operating expenses incurred in the education sector in 1974. We shall submit proposals to this end to the Council of Ministers.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — (D) Mr President, I should like to ask the Commissioner whether he does not feel that the Commission, too, should adopt a completely new approach to this problem, in view of the political situation which we have seen develop in the Middle East in recent months. I should like to ask him whether he does not in fact consider that the admirable UNRWA, which has been in existence for 25 years and is always on the verge of bankruptcy, could not be better financed by a donation from the Arab oil producers and suppliers, and that the Commission, and perhaps the Council of Ministers too, would be more advised to concentrate their efforts for the Palestinian refugees—of which we are all aware, even though we may assess them differently—in

Blumenfeld

other fields? One possibility is surely to educate and train the children of Palestinian refugees to become productive members of society instead of terrorists, as has been the case hitherto.

I should like to ask the Commissioner whether it would not be possible for greater efforts to be made in the economic sector. That would perhaps be the correct political solution for the problem you have mentioned.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson. — *(F)* Mr President, the remarks made by Mr Blumenfeld are in complete accord with the Commission's thoughts on this subject.

The first important point, as I have stressed, is that we must not risk interrupting the programmes which are at present being carried out by the United Nations Agency, since these provide food aid, without which the refugees would be in a dire situation, as well as efforts in education and health which must be continued. The appeal by the Palestine Liberation Movement, which I mentioned just now, and the appeals by the various Arab governments, which were discussed at the last meeting of the Arab League, do in fact call for active participation of the oil-producing countries of the Middle East in financing the UNRWA budget. We have every reason to believe that this will indeed happen, and that the UNRWA will thus be able to meet its expenses as long as the present situation lasts. During this period, the priority given to education, as recommended by Mr Blumenfeld, is indeed of great importance. I should like to point out straight away that the work which has been done is quite remarkable, and that the Palestinian refugees, in spite of the very difficult conditions in which they live, nevertheless enjoy a very complete system of education, more complete for instance in the case of girls than that enjoyed by the nationals of the countries to which they have fled. In this way, fairly large numbers of people with a satisfactory general and technical education are emerging to play a leading role in their society.

All this must be seen as part of the shaping of the future, which will clearly involve important economic questions. That is to say, it is not impossible that in the future members of the international community such as the members of our Community may have to accept economic responsibilities. May I remind those present that the Chancellor of the Federal Republic of Germany, at the beginning of his address to this House, drew attention to this possibility. Unfortunately, it is impossible at

present to know when these long-term responsibilities can be undertaken, since this depends upon a satisfactory solution to the Palestinian problem, which can only be found as part of a general peace settlement.

To sum up, I feel that our Community must respond to the appeals which have been made to us to prevent the current programmes from being interrupted, and if possible—this is what we shall propose to the Council—to ensure in particular that the educational programmes are continued at their present level.

President. — I would remind the House that in accordance with the Rules of Procedure supplementary questions must be put briefly.

I call Mr Normanton.

Mr Normanton. — Bearing in mind that I am somewhat critical of the way in which sums are disbursed in aid projects, could Mr Cheysson assure us that in the case of Palestinian refugee contributions from the Commission, the cash and kind are effectively and economically distributed and that they produce the most effective results?

President. — I call Mr Cheysson.

Mr Cheysson. — *(F)* Yes. The United Nations Agency for Palestinian refugees has not, to my knowledge, been the object of any criticism, either from the host governments or from the most extreme political movements, any more than from the countries contributing to the Agency's funds.

President. — I call Oral Question No 4 by Mr Noè on the safeguard clause adopted for Italy in the beef sector:

'Does the Commission agree that the safeguard clause adopted for Italy in the beef sector has not been as effective as was hoped and has failed to check imports, with the result that trade has been distorted and, in particular that meat and livestock from outside the EEC are arriving in Italy via Member States of the Community?'

I call Mr Lardinois to answer the question.

Mr Lardinois, Member of the Commission of the European Communities. — *(NL)* I can answer this question quite briefly, Mr President. At issue is whether I agree with the questioner that the measures we took with regard to some types of meat on a short-term basis—between the end of February and the end of March—

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have not achieved their aims. Unlike the questioner, however, I do feel that these measures have done what they were meant to do. Whether other people expected more from them is another question. The Commission only intended them to be short-term measures, which would more or less keep the situation under control between the end of February and the end of March. At the end of February the Council was not in a position to fix beef prices. There was of course some degree of substitution, but there was no question whatsoever of substitution of live cattle. Live cattle was not covered by the measures.

In other words, I cannot yet say what the concrete effects of the measures taken have been. However, we feel that the measures taken for Italy, France, Belgium and Luxembourg have more or less fulfilled the purpose which the Commission intended them to fulfil.

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

Mr Noè. — (I) Mr President, I thank Mr Lardinois for his answer, but I should like to ask a supplementary question.

In view of the fact that the situation in Italy has unfortunately not improved in the meantime, I should like to ask Commissioner Lardinois what he thinks of the possibility of a request from the Italian Government to exempt imports of meat and milk for a short period, possibly two months, so that the refrigerating capacity may be freed, and a different policy with regard to internal production developed. In other words, a request for an exemption.

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, I must assume that this is a hypothetical question. If such a request were to be made, the Commission would, of course, have to consider the various advantages and disadvantages. For the present, I can only give an off-the-cuff, personal reaction. At first sight I would strongly advise against taking such a measure. We must not forget that there are problems in the beef sector which concern not only Italy, but the whole Community. If we were to make special provisions for Italy, this would, I feel, in all probability only lead to increased problems in the other eight countries, which strikes me as anything but a Community solution.

President. — I call Mr Bersani.

Mr Bersani. — (I) I should first like to ask Commissioner Lardinois if he can give us some information on the increasingly persistent reports of live cattle and beef being imported into the Community through irregular channels, in such a way as to affect the working of the market.

Secondly, quite apart from Mr Noè's hypothetical question, can he tell us what other measures might be envisaged by the Community if the common agricultural market should greatly affect the Italian market: as a result of foreign imports, prices have suddenly dropped by 30 per cent in little more than two weeks.

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, I am glad that this supplementary question has been asked since it gives me an opportunity to say more about the situation on the whole Community. The problems have been caused by an increase in production in recent months, accompanied by a drop in consumption throughout the Community. The result of this is that the market is under considerable pressure. I do not think that a solution to these problems must be sought exclusively in a reduction of imports, even though imports must of course play an important role. We must also introduce measures aimed at encouraging consumption in the Community and thus restoring equilibrium.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — In view of the price drop throughout Europe that the Commissioner has just mentioned, will he say how many thousands of tons are in intervention in Italy and the other eight countries, and what the cost of this is to the Community?

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, up to now the Italian Government has not applied any intervention in the beef sector. In the last few days it has begun to do so in half a dozen places in Italy. I can assure you that the quantity concerned is negligible. In the entire Community the intervention stocks amount to approximately 60,000 tons. This is 1 per cent of the total annual beef costs. Thus the effect on the overall situation is minimal. On the other hand, I must point out that the intervention system in the meat sector—and in particular the beef sector—is a very awkward instrument, since cold storage warehouses cannot be used for this purpose. Moreover, when the intervention stocks

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are greater than the marginal volume of production, the system becomes virtually unmanageable. In other words: intervention as such can only play a subsidiary and minor role in restoring a healthy market situation. The quantities and costs in question are thus relatively low—for example in comparison with the measures taken in the dairy produce sector. The costs of making the stocks available again would be in the order of 20-25 million u.a.

President. — I call Mr Früh.

Mr Früh. — (D) I should like to return to the point made by Mr Noè, and ask the Commissioner whether meat and live cattle from outside the EEC have been imported into Italy *via* Community countries.

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, during this period only frozen meat and live cattle were imported into Italy. The measures taken at the end of February and March did not apply to frozen meat and live cattle.

President. — I call Mr John Hill.

Mr John Hill. — Can the Commissioner assure us that, if supplies of beef build up in intervention, there will be no question of selling the surplus off cheaply to Russia or any third country but arrangements will be made to have it consumed within the Community?

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, I can assure Parliament that we will not sell off any surplus supplies to Russia at special low prices without Parliament's knowledge. However, I cannot guarantee that we shall not export part of these supplies. If this happens, we shall make no exceptions for any country.

President. — I call Mr Pisoni.

Mr Pisoni. — (I) Mr President, I do not think Mr Bersani's question has been answered. It appears that there is a certain amount of non-Community meat in circulation which has become 'naturalized', and thus enjoys all the benefits of Community meat. Does this trade actually exist? Is this acceptable? Do we have the necessary controls to prevent this happening?

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, we cannot rule out the possibility that this may have happened. However, if it has happened it does not mean that any rules have been infringed, provided that the meat has been handled by the Italian customs as if it originated from third countries.

In general, I can say that we have received no complaints of any irregularities or infringements of regulations either from the Italian, the French, the Belgian or the Luxembourg authorities.

President. — I call Mr Laban.

Mr Laban. — (NL) Mr President, if I have understood Mr Lardinois correctly, a solution to the beef problem is to be sought to a great extent in encouraging its consumption.

I should like to ask him what steps the Commission has already taken or plans to take in order to encourage consumption as much as possible.

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, I cannot yet answer this question satisfactorily. We are still studying this matter, not only within our departments but also in consultation with the steering committees. The first discussions were held before Easter, and consultation will be resumed this week. This point will no doubt also be included on the Council's agenda this Tuesday when they discuss the beef situation in the Common Market. I must point out that it is not an easy matter to find effective measures in this sector, but the possibilities we have in mind include stimulating consumption by means of a special price—that is to say, a lower price—for deliveries to certain institutions serving a social purpose, such as hospitals etc.

President. — I call Lord O'Hagan.

Lord O'Hagan. — Can the Commissioner say why he committed himself only to informing Parliament if it was decided, to sell intervention beef outside the Community? Surely he should consult Parliament about a matter which affects every consumer in the Community?

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Commissioner, can you confirm reports according to which a considerable proportion of the beef, as meat or on the hoof, which has been imported into Italy from

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third countries, is closely connected with bilateral trade agreements which Italy has concluded for the sale of industrial products, in return for which she would accept agricultural produce from these countries?

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, I cannot answer this question in the affirmative. It seems very unlikely. I shall make further enquiries into this matter.

In reply to Lord O'Hagan's question, before beef is exported to certain Eastern bloc countries at specially reduced prices, I shall consult Parliament, as was agreed in the debate which we had almost a year ago in connection with the export of butter to Russia.

President. — I call Oral Question No 5 by Mr Bousch on the financial effects of the energy crisis:

'Having regard to the energy crisis and its foreseeable harmful effects on the balance of payments of almost all the Member States, how does the Community intend to participate in the new finance system at world level?'

I call Mr Dahrendorf to answer the question.

Mr Dahrendorf, Member of the Commission of the European Communities. — (D) Mr President, any attempt to make short and medium-term predictions on the deterioration in the balances of payments of Community countries as a result of the rise in crude oil prices encounters a great number of difficulties, particularly owing to the uncertainty with regard to the future trend of crude oil prices, the time necessary for the development of alternative sources at production and consumption level and our ability to increase exports to OPEC countries. Present estimates, however, indicate that the swings in the current account balances resulting from the crisis will cause serious problems, by their extent and their differing effects on the individual Community countries. In view of the low consumption capacity of the oil-producing countries, Community countries will not be able to make up their deficits by boosting exports to them. Similarly, competitive devaluations are impossible for a number of reasons. Restoring the balance on current accounts must thus be effected either by direct means, whereby the OPEC countries would amass credit in the financial institutions of the Member States, or indirectly, by means of a process of re-cycling through the international money market or through international organizations.

As for the first possibility, those countries hardest hit by the crisis would probably be the least capable of attracting capital. Thus they would be forced to resort to international credit supplies, which have so far not undergone any overall changes to adjust to the situation I have just described. Those Member States which show or foresee a deficit, turn individually to the international private money market.

In the Memorandum submitted to the Council on 23 January of this year the Commission based its recommendations for immediate measures on the idea of coordination within the Communities of the demands made on the international market, which should, among other things, lead to stabilization of the interest rate.

In connection with the creation of new credit instruments, plans have been developed in the International Monetary Fund with a view to the introduction of a new drawing facility, to be used exclusively for financing deficits resulting from the oil crisis. It is in any case clear that evolving a new and easier financing system which would be acceptable both to the countries showing deficits and the OPEC countries needs time, but that in the short term the deficits must be financed mainly through the international money markets.

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

Mr Bousch. — (F) I thank the Commissioner for his reply. It deserves to be studied and discussed again in committee.

However, I am somewhat surprised that the Commissioner did not make any reference at all to one particular current problem, namely that of gold. Gold could be surely considered as a possible means of payment, in view of its de facto revaluations on all the world markets.

President. — I call Mr Dahrendorf.

Mr Dahrendorf. — (D) Mr President, the House is certainly aware of the fact that the Commission referred to this possibility in its proposals, which were recently the subject of informal discussions between the Finance Ministers of the Member States. However, it is equally certain that this possibility alone cannot cover the substantial fluctuations we are observing in the balance of payments.

President. — I call Mr Noè.

Mr Noè. — (I) I should like to ask a question relating to the medium and long term. In his reply, Commissioner Dahrendorf stated that one uncertain aspect was that we had no exact information on alternative sources. Thus, my question is as follows: Does Commissioner Dahrendorf not regard it as vital for our future energy supplies to increase cooperation between our efforts to find alternative sources and the United States five-year plan, which anticipates an expenditure of ten thousand million dollars over five years, aimed at developing a series of very specific activities and keeping abreast of the various fields of research?

President. — I call Mr Dahrendorf.

Mr Dahrendorf. — (D) Mr President, the question which I answered on behalf of my colleague Mr Haferkamp concerned the balance of payments, the effects of the rise in oil prices on the balance of payments, and the consequent recycling of the additional income of the Arab States. However, in a completely different context, I should like to say that I am in full agreement with the questioner as regards research.

President. — I call Mr Burgbacher to put a brief question.

Mr Burgbacher. — (D) Mr President, ladies and gentlemen, Mr Dahrendorf, in the Committee on Economic and Monetary Affairs Vice-President Haferkamp put the anticipated net deficit on the 1974 balance of payments of the Community countries at 22 thousand million dollars. Quite understandably you have not quoted any precise figure. Are we to understand your statement as implying that the actual figure will be greater or smaller than 22 thousand million dollars?

President. — I call Mr Dahrendorf.

Mr Dahrendorf. — (D) Mr President, my statement may be understood as implying that the sum is likely to be somewhat higher than 22 thousand million dollars. However, one must be careful to distinguish between the primary effects and the overall effects which emerge when additional OPEC imports are also taken into account. According to our present calculations the shortfall is unlikely to be much higher than the figure quoted by Mr Haferkamp.

President. — I call Mr Normanton.

Mr Normanton. — Mr President, although the question relates to the financial effects of the

energy crisis, can the Commissioner assure the House that the Commission as such, in a corporate sense, is really taking seriously the need to produce a Community energy policy? If he can assure the House to that effect, will he say when he expects the Council of Ministers to accept responsibility for it and give instructions for its implementation?

President. — I call Mr Dahrendorf.

Mr Dahrendorf. — (D) As far as the Commission is concerned, I can assure the questioner without reservation that this subject has top priority in the work of the Commission. As regards the Council, it is obviously impossible for me to make any statement.

President. — I call Oral Question No 6 by Mr Laban on the sharp rise in energy prices in the horticultural and fisheries sectors:

'What action has the Commission already taken or does it intend to take shortly to put an end to the situation in which individual Member States are introducing uncoordinated subsidy measures in the horticultural and fisheries sectors to counteract the effects of the sharp rise in energy prices, and what action has it already taken or does it intend to take shortly to introduce a Community bridging arrangement to solve this problem?'

I call Mr Lardinois to answer this question.

Mr Lardinois, Member of the Commission of the European Communities. — (NL) Mr President Mr Laban has asked me a question on the consequences of the sharp rise in energy prices in the horticultural and fisheries sectors, and asks what action the Commission has already taken to put an end to the situation in which individual Member States are introducing uncoordinated subsidy measures.

The core of this problem lies in the fact that the Commission proposed to the Council approximately four months ago that the free energy market should be re-established, particularly for oil and oil derivatives. To date, the Council has made no decision on this proposal, as a result of which horticulture—particularly horticulture under glass—and fisheries have run into difficulties, since there has been tremendous variation in oil prices in the various Member States.

In order to eliminate any risk to the common agricultural market in these sectors, we have had informal talks with the various Member States on the subject of introducing interim

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measures, until the free market for oil and oil derivatives has been restored.

These national measures are judged in accordance with the stipulations of Article 92. I can inform the questioner that we have already approved a number of requests for aid measures.

In addition, I can inform him that the Commission has promised to submit a report on the energy situation in the entire agricultural sector—but particularly in these two sectors—to the Council before the end of June, and at the same time to make a number of supplementary proposals relating in particular to the situation which will arise after the free market for oil and oil derivatives has been restored. Among other things, the need for a number of structural measures will be emphasized. The aims of such measures would include enabling those in the horticultural and fisheries sectors who have got into particularly serious difficulties to benefit from the opportunities offered by the Community. In addition, measures in the field of investment and research might be considered, in order to help develop methods of reducing the energy used for greenhouse horticulture, while maintaining the same level of production.

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

Mr Laban. — (NL) Mr President, I am very grateful to Mr Lardinois for his answer, but I should nevertheless like to ask him another question. I should like to know whether he agrees that if no action is taken at Community level the risk remains that Member States might try to outbid each other with regard to the aid measures for the horticultural and fisheries sectors. Does Mr Lardinois therefore feel that he should draw up regulations on the harmonization of aid measures as soon as possible—at all events before the new season?

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, I can answer this question in the affirmative, and would at the same time stress that it is absolutely imperative to restore order on the free energy market. I feel that the Commission cannot wait any longer, and that it bears a certain responsibility in this field, too. At the present time nearly all the Member States are contravening the regulations laid down in the Treaty with regard to the free market for energy products. The Commission is competent to deal with the consequences of this. I shall ensure that regulations are introduced to ensure

the maintenance of the free market for horticultural and fisheries products.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — Could Mr Lardinois give me two assurances?

First, pending any Community arrangements, can we be assured that there will be no attempt to interfere with the individual measures put into effect in certain Member States, which have been welcome and helpful to the greenhouse horticultural industries in those States? Second, if and when Community measures do come into operation, will the Commissioner assure this Parliament that they will result in a situation at least not less favourable to the horticulturalists in those Member States than exists now under the individual measures taken?

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, I regret that I must answer both questions in the negative. We cannot give the Member States freedom to grant unlimited subsidies. Such subsidies must take account of the relative competitive situations of the Member States, and we must avoid the state of affairs outlined by Mr Laban, where the various Member States would be outbidding each other. We can, in principle, allow a certain degree of subsidizing for this period, in view of the fact that the Council has taken no decisions with regard to the free energy market. We can also accept the principle of tax refunds on oil and other sources of energy, but we cannot give Member States complete freedom in this. We must judge these matters in the light of Articles 92, 93 and 94 of the Treaty.

In the second place, I should like to assure the questioner that we want to see these subsidies largely abolished as soon as possible—in the case of greenhouse horticulture certainly within the coming season. We must certainly not follow the route indicated by the questioner.

President. — I should like once again to ask Members to put supplementary questions as briefly as possible since otherwise there will be insufficient time for the remaining questions.

Question Time will be over in 10 minutes.

I call Mr Frehsee.

Mr Frehsee. — (D) I also am grateful for the answers which Mr Lardinois has given so far. I should like to ask in addition whether the Commission is prepared to admit that national

Frehsee

compensatory measures in the form of subsidies for fuel oil and diesel fuel have become desirable, not to say urgent, since there is no common energy policy, since the Council has hitherto chosen not to introduce any harmonization of conditions, and since competition has been distorted to such an extent that a number of firms could well have gone out of business?

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, my answer to this question is yes. I took it upon myself to suggest to certain Member States such as the Federal Republic of Germany, after they had taken the initial measures, that they would do well to go further than these measures.

President. — I call Mr Van der Sanden.

Mr Van der Sanden. — (NL) Mr President. I should like to ask the Commissioner whether the remark which he made about Commission support of the enquiry into methods of economizing on energy, means that these enquiries will be carried out by the Commission itself, or that the Commission intends to support such enquiries in countries where they are already under way.

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, as the European Communities we do not have the necessary machinery for this. Our aim is primarily to stimulate and coordinate. Above all, we want to encourage those activities which are possible in the individual Member States.

President. — I call Mr John Hill.

Mr John Hill. — Since the impact of higher oil prices has been very great immediately on agriculture, and particularly on fishing, would it not be desirable to publish quickly what level of subsidy is thought to come within Article 92, so that, immediately, there would be a limit which one hopes Member States would observe? I would suggest that probably that limit should be tapered and faded out, because the problem is essentially short-term.

President. — I call Mr Lardinois.

Mr Lardinois. — (NL) Mr President, I can assure Mr John Hill that the Standing Committee on Agricultural Structures is in close contact with the various Member States on this.

However, it is difficult at the present moment to lay down general rules.

President. — I call Oral Question No 7 by Mr Seefeld on the behaviour of multinational concerns in respect of cartel agreements: 'Have the Commission's enquiries into the behaviour of multinational concerns shown any evidence of cartel agreements?'

I call Mr Borschette to answer this question.

Mr Borschette, Member of the Commission of the European Communities. — (F) Mr President, there are several definitions of multinational concerns, but I do not need to refer to any of them, in view of the fact that the policy adopted with regard to competition, and in particular Articles 85 and 86 of the Treaty of Rome, together with Articles 65 and 66 of the Treaty of Paris, apply wholly and uniformly, without discrimination, to all companies and undertakings within the Community, regardless of whether they are national, multinational, international or European.

As far as groups of undertakings are concerned, owing to the concept of an economic unit which embraces parent companies and their subsidiaries together, the Commission is able to examine, by virtue of the European law on competition, the behaviour within the Common Market of undertakings established within the Community but controlled by companies or undertakings whose decision-making centre is located outside the Community. Several Commission decisions testify to this, particularly a recent one concerning an American company, and, more particularly, the actions of an Italian subsidiary of this company. This Commission decision has just been approved by the Court of Justice in Luxembourg. Moreover, the Commission's consistent attitude to these matters has to date always been approved by the Court of Justice in Luxembourg.

Quite apart from multinational considerations, the fact of the matter is that the majority of proceedings which the Commission is currently conducting relate to undertakings active in several Community countries and even outside the Community.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, may I state on behalf of the Members tabling questions 8 and 9 that we are in agreement with this answer, provided that I may request an immediate debate on behalf of the Socialist Group in accordance with Rule 47, paragraph 2. I feel

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that the significance of the behaviour of the oil concerns on the European market and in individual Member States in recent weeks makes a debate necessary in order to give the Commission the opportunity of explaining to the European public how it intends to collaborate with the governments of the Member States and the Council in combatting abuses of the market and ruthless behaviour of the kind displayed by many multinational concerns during the weeks and months of the energy crisis. May I ask the House, to agree to my Group's request for an immediate debate.

President. — In view of this request, I declare Question Time closed.

I have a request by Mr Fellermaier on behalf of the Socialist Group pursuant to Rule 47a, paragraph 2 of the Rules of Procedure, which provides for an immediate debate on the Commission's answer to Oral Question No 7 and on the additional Oral Questions Nos 8 and 9. This request is granted.

4. Debate following Question Time:

Deflection of profits by multinational concerns

President. — The next item is a debate following Question Time on the Commission's answer to Question No 7 and on Questions Nos 8 and 9, which are worded as follows:

Question No 8 by Mr Fellermaier.

Subject: Deflection of profits by multinational concerns.

Has the Commission any material evidence that multinational concerns are deflecting profits by setting excessive prices for the delivery of crude and refined oil products, thereby artificially reducing the profits of their European subsidiaries?

Question No 9 by Mr Flämig.

Subject: Taxation of profits deflected by multinational concerns.

Does the Commission intend to submit proposals making it possible to tax profits deflected by multinational concerns?

I would ask the House not to prolong the debate beyond half-an-hour.

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

Mr Lange. — (D) Mr President, ladies and gentlemen, in the debate following Question Time we are allowed not only to put supplementary questions but also to make a short introductory statement in order to clarify the discussion.

We all know that the Committee on Economic and Monetary Affairs is dealing with a document on the multinational companies and Community regulations. Now some multinationals—as our colleague, Mr Fellermaier, has just pointed out—have, by their particular conduct, created considerable public anxiety. These multinationals are chiefly active in the oil sector and in petrochemical processing. It is our common conviction—so I believe—that the behaviour of some of these undertakings operating internationally has to an extraordinary degree called into question what this House has advocated unanimously—at any rate up till now with the exception of small fringe groups—i.e., a market economy.

The basically irresponsible exploitation of the market by the sellers endangers the market economy, practically excludes competition and creates reactions which none of us welcomes. To put it like this, if I may: the behaviour of some entrepreneurs in the market triggers off reactions which are then—and here I quote an example from the Federal Republic—seized upon by radicals whose aim it is purely and simply to abolish the market economy, an aim to which we are quite opposed. Therefore the Commission must seriously consider—this at any rate is my belief—to what extent it will achieve its purpose with the document it has presented. It must certainly consider how international control can be exercised over the multinationals by agreement. It must also certainly consider—and this would complement the work done by a United Nations commission on the behaviour of companies operating internationally in the developing countries—how the same aim can be achieved in the rest of the world market.

So from different angles we have brought up for debate this question of an international agreement. When we think of the profits which are now being declared by some of these oil companies, the question really does arise how far this can be allowed to go on without control and without reference to the interests of the countries in which the companies operate. Then the question arises whether double taxation agreements can remain as they are at present. And also whether the transfer of profits can continue unchecked.

The Commission must reply to all these questions which have been brought up today. And in due course we shall have occasion to continue this debate on the basis of a report on the multinationals to be submitted by the Committee on Economic and Monetary Affairs.

This should suffice as an introduction to the subject.

President. — I call Mr Flämig. I remind him that his speaking-time is limited to 5 minutes.

Mr Flämig. — (D) Mr President, this very morning the press is again carrying news that at the same time as the price of petrol and fuel oil is being increased in some member countries of the Community, the multinational parent companies have made profits well in excess of 100 per cent.

The previous speaker referred to double taxation agreements. I touched on the same subject in the question I submitted asking whether the profits transferred by these multinational concerns could not be made liable to tax. I should like to amplify this question and, with reference to the double taxation agreement just quoted ask the Commission quite pointedly whether it is prepared to set down the principle that the profits of the subsidiaries or independent operating branches of the multinationals should be taxed at source in a recommendation to the member countries, who could then be induced to renegotiate their double taxation agreements.

President. — I call Mr Van der Hek.

Mr Van der Hek. — (NL) Mr President, this matter was the subject of questions and answers at one of our previous sittings. On that occasion the Commissioner stated that the Commission had already begun an enquiry in December into the role of the oil companies on the European oil market. We noted this fact with interest and approval. Since then, a number of urgent cases have occurred in the Member States, involving competition. Two of them are well known, namely, what is happening in Germany and what has already occurred in Belgium. In the meantime the Netherlands Government, basing itself on its national laws on competition, has had to take certain action against the oil companies to compel them to make deliveries to the trade.

I believe that the trade in the Netherlands has addressed complaints to the Commission requesting an enquiry and appropriate measures against the oil companies. This rapidly changing situation raises the following questions: does the Commission maintain close contacts with the Member States' authorities responsible for the competition aspect of the oil companies? Is the Commission working in a close and coordinated manner with these authorities, making it possible to say that there is a coordinated approach to these oil companies? I am afraid that otherwise—and this is the background to my questions—it will not be possible to do enough against these companies.

President. — I call Mr Burgbacher.

Mr Burgbacher. — (D) Mr President, first of all I wish to put the following supplementary question to the Commission: does the Commission believe that the experience of those countries which have introduced economic controls on the petroleum industry has been more favourable as far as the supply of energy is concerned than the experience of the countries which operate a free market economy?

In this connection, I wish to state here and now that I neither have any shares in any oil company nor am directly or indirectly in the employment of any oil company, and that being the case I am emboldened to put in a good word for the accused in their absence.

First of all, I would point out that those who wish to see a liberal market economy throughout the world must clearly realize that multinationals inevitably follow on from this. When Mr Flämig speaks of 100 per cent profits, that is a serious matter. How actually do you calculate this, how do you make it 100 per cent?

Mr Flämig. — (D) I mean increases in profits of more than 100 per cent.

Mr Burgbacher. — (D) Ah well, you mean an increase in profits: if the accounts were in the red before, the figure is 1 000 per cent when the accounts are in the black again. And there are years when the undertaking is in the red. If it has to carry the figures when they are in the red, then it also has the right to enjoy the years when they are in the black. Let me go further: Members should stop condemning profits in this House.

Mr Fellermaier. — (D) No one is doing that here.

Mr Burgbacher. — (D) But that's what is at the back of the argument, Mr Fellermaier. You have two bugbears: scale and profit, and you exaggerate their importance. Profit is absolute when it is frittered away, to put it bluntly. But if it is reinvested, it is the solution to the crisis we are dealing with here.

And if in the USA alone the solution of the energy crisis requires 200 thousand million dollars from the economy—in addition to 300 thousand million from public funds—where is all this money to come from? According to the principles of the market economy, an undertaking which is in the red in times of crisis should be allowed to go into the black when there is a boom. That is why I believe there should be an end to condemning scale and an end to condemning profit. And we must acknowledge

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that if for example in the Federal Republic the oil crisis has passed off relatively smoothly, more smoothly at any rate than in other countries, the credit must go to the multinational oil companies which you have now been attacking, and that is why I am emboldened to speak out on behalf of these people although the popular thing is to make political speeches against big companies and against profits.

(Applause from various parts of the House)

President. — I call Mr Nørgaard.

Mr Nørgaard. — *(DK)* Mr President, since the activities of multinational companies are worldwide, and since the Commission can only adopt measures for the present Member States and recommend legislation to their governments, I should like to ask whether the Commission is prepared to conclude international agreements which could supplement the present or proposed decisions on European cartels and monopolies, and, if it is possible to conclude such binding agreements, whether multinational companies could not carry out their activities either at national or Community level.

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, no one should really be surprised that a member of the Economic Council of the CDN should here in this House be acting at the same time as a lobbyist, for otherwise he would not be playing the part demanded by that very Economic Council of his Party. But Professor Burgbacher has taken up his stand in complete opposition to the spokesman on economic affairs of his own party, the CDU, for it was the CDU Deputy, Mr Müller-Herrmann, who declared that consumers must be feeling themselves tossed in all directions by the behaviour of the oil companies on the market.

So just check for yourself, Mr Burgbacher, which voice in your own party is really expressing the correct opinion.

It is not true to say that the Socialist Group condemns profits. What we condemn are the worst excesses of the misuse of power by the multinational concerns. The oil crisis has revealed such excesses, and the commission set up by the Secretary-General of the United Nations to investigate these occurrences has reached similar conclusions. What is this topical debate all about? It is about the desirability of clear balance sheets, that for once everything should be openly declared, and that the American company Exxon should not be able to state with unparalleled cynicism, as it did before an

American Senate committee, that it had been able to make a profit of 86 per cent, and this not, of course, in the United States but in Europe.

That brings me to the question which has been put to the Commission. Does it consider that Articles 85 and 86 in their present form provide sufficient basis for an investigation? Should there not now be new international agreements, as our colleague, Mr Nørgaard, has said, legally binding, worldwide provisions and an international code of conduct for companies which operate internationally?

Then there is the question whether the Commission believes it will obtain a majority in the Council for specific draft guidelines, and to what extent the Commission believes that, perhaps by increasing its own publicity effort, it should give the European public some indications as to the nature of the conduct it considers desirable. And here, in my opinion, the Socialist Group is in better company in all our countries than is our colleague, Mr Burgbacher.

Mr Burgbacher. — *(D)* I wish to make a personal statement!

President. — You shall do so at the end of the debate, Mr Burgbacher.

I call Mr Lange, and ask him to be brief.

Mr Lange. — *(D)* Mr President, you may rest assured that I shall be as brief as possible.

It always surprises me when scarecrows are set up here. We have gone into the same question at great length in the Economic Affairs Committee, Mr Burgbacher, and we were agreed that there is neither a witch-hunt nor a condemnation of big business, earnings or profits; we are simply concerned here—and in my opinion you should at least realize this and not bring up such arguments—with investigating whether a juridical basis should not be created which would compel companies operating internationally to behave as they ought to behave according to the rules of the Treaty and the rules of the Monopoly and Anti-Trust laws of the United States.

The problem is therefore that of finding a juridical basis which will completely rule out any misuse of power in the market. Why is a national cartel authority engaged in investigating the price-fixing practices of the subsidiary companies operating in Germany and possibly also of specifically German companies, a majority of whose shares are in Federal ownership? This is definitely a problem which we cannot simply argue away by stilted condemnation of profits or scale, which are quite irrelevant. You know

Lange

that as well as I do, Mr Burgbacher. That is why I think our discussion should be about the real facts of the matter. The Federal Cartels Office, and possibly the Commission as well when its enquiry has established the facts, will be in a position to give proof of behaviour which inhibits competition or is contrary to the Treaty. That is our concern. I hope this proof will be forthcoming when all the evidence is to hand.

President. — I call Mr Noè.

Mr Noè. — (I) Does Commissioner Borschette not think that, to be realistic, the judgment on the multinational oil companies must be broadened from the petroleum sector to take in energy as a whole?

The oil companies no longer deal only with oil; they are also energy companies, because they play a decisive role in research, for instance into oil-bearing shale and sand and into the hydrogenation and gasification of coal; in addition, in the sphere of nuclear research, they are active in the area of uranium enrichment—as we saw yesterday—and in that of fusion; they are also working on solar energy cells. Only when we have an overall view of all these alternative sources of energy, vital to our future, shall we be in a position to reach a positive or negative verdict, depending on whether this research seems likely to safeguard the future of our peoples.

President. — I call Mr Burgbacher.

Mr Burgbacher. — (D) Thank you, Mr President. Mr Fellermaier, you have replied to my sharp, factual attack with an unqualified personal attack. That is a question of style. To refer to it is in itself to pronounce judgment on the style. Anyhow, your group has more experience of the fact that in large parties different opinions are expressed on one matter.

As for Mr Lange, everything is as he says. But I did not address my remarks to the Committee on Economic and Monetary Affairs, still less to its chairman. What I spoke to here was the 100 per cent mentioned by Mr Flämig and the other unsubstantiated assertions. We have heard it said that the market is being misused. Where is the proof? Is it proper to make statements and then to assume that the statements represent the truth? Surely no.

President. — I call Mr Flämig.

Mr Flämig. — (D) Mr President, a brief observation because my name has been mentioned. Figures showing the multinational oil companies

to be in the red have been quoted. Who made the multinationals trade at a loss? Who made them go into the red?

Mr Burgbacher. — (D) The market.

Mr Flämig. — (D) The market? Not at all! An effort to squeeze out the competitor! The competitor had to be defeated, coal had to be killed, and so prices had to be marked artificially low. And then we in the European countries were handed lists with figures in red, enough to make tears come into our eyes and almost to send us out cap in hand to beg for the poor multinationals. Now they are doing fine. I don't object, Mr Burgbacher. But in that case the burden should be shared equally. It is not right for the Europeans to pay and the profits to go elsewhere.

President. — I call Mr Normanton.

Mr Normanton. — I was obviously not aware that it was your intention, Mr President, to call this particular debate. However, very clearly, it is a matter which concerns all Members of Parliament regardless of particular political persuasions. Regrettably I am bound to feel that the word 'multinationalism' is used—or rather abused—for party political purposes to the extent that emotion tends to dominate judgement. I earnestly hope Parliament can be big enough, sensible enough and balanced enough to take a really objective view on the whole subject of multinationalism.

I wish to make two or three brief points, though not in the context of the oil companies in particular, because in practice they are no different from the other and far more numerous multinational companies operating throughout the world.

First, I suggest we should be totally irresponsible were we to adopt the view that a company by virtue of being multinational was of itself bad and contrary to the interests of the world as a whole and the Community in particular. I am not saying that, and I hope that no one in Parliament would be prepared to do that.

Secondly, we should all recognize and should continually demand that all companies which operate in the Community and in the national States of the Community should come—as I hope they do—under the full effect of the national laws of, if one can call it such, the host country and also of the Community.

Only where Parliament sees clear evidence that there is a flagrant violation of the rule of law in the Community do I feel that we should act, concentrating our attention on the particular case.

Normanton

Thirdly, I earnestly hope that in pursuing the question of multinationalism as if it were—and some people certainly see it as such—a bogey, we would not lose sight of the objective of the Community, namely, our firm and unchanging belief in the need to expand trade nationally, throughout the Community and throughout the world as a whole, and to do so within the framework of competition—both objectives accepted by the European Parliament.

So long as those objectives and those declarations of faith and belief are adhered to, I hope we shall not in any way inhibit any company, national, Community or multinational, in its efforts to widen trade and expand competition.

The last point involves the question of time. The Community must recognize that we have as yet no Community energy policy. There was a reference to it during Question Time this morning, and Mr Dahrendorf in effect recognized that that is a fact. Along with this Parliament, we hope and pray that there will be a Community energy policy, and soon. But we should recognize that in this particular vacuum the multinational oil companies have behaved responsibly; and it should also be recognized that in the absence of a Community policy, and in the absence of an active contribution from the multinationals, Mr President, your country, Holland, would be freezing now. It is their sense of national and international responsibility which this Parliament should recognize.

However, that does not mean that we should leave the control or the operation of international affairs to a company or corporate entity. This is an area in which political institutions must move, and I hope that in this Parliament we, as members of the legislature of this Community, recognize that there is this great void to be filled inside our Community and at the same time in the world at large. In that sense, in a realistic and unemotional spirit and recognizing the role which multinationals play in making a constructive contribution in the absence of political and international control, I earnestly hope that we shall continue to take an objective view of the problem and rid ourselves of emotion.

President. — I call Mr Van der Hek.

Mr Van der Hek. — (NL) Mr President, two short remarks. Firstly for the benefit of Mr Normanton, who regretted at one point that party political arguments had crept into the debate. I should like to make it clear to him that this was done to begin with by Mr Burgbacher, in a manner which is all too familiar to us, by

first painting a caricature of another Member's opinions and then getting excited about them. However, this did at least help to make the debate more lively.

As regards the burden of evidence against the multinationals, in particular the multinational oil companies, Mr Burgbacher ought to be aware that in some Member States these oil companies are forcing the free trade off the market and that in some Member States action has already been taken to prevent this. There is no need for clearer evidence.

President. — I call Mr Behrendt.

Mr Behrendt. — (D) Mr President, ladies and gentlemen, I should like to make one observation to my colleague, Mr Normanton. Mr Normanton, I am surprised to hear you say that the words 'multinational companies' are being misused. You had not yet entered this Parliament when my group and all the other groups in this House declared their support for transfrontier mergers in the European Economic Community because we know that undertakings must develop into larger units in order to make the European market reasonably strong on the world market. That was undeniably the unanimous opinion of this House. So there is no quarrel about multinational companies: the real issue is different.

We likewise agreed on the need for European company law; this law has still to be enacted—it will be in the near future—but it embodies a rather special principle.

Whatever a person's political complexion may be, we know what economic power can make possible. Therefore the rights of workers are also covered by this European company law. In our opinion such companies must be given a constitution just like large communities, a charter to prevent any abuse of economic power. I think we are all agreed on that.

We are hearing today (and of course we have all kinds of governments in Europe) the argument used—Mr Burgbacher, excuse me, here I differ from you—that as yet nothing can be proved, although one has the feeling to which the behaviour of the oil companies has given rise, that something is wrong. I have spoken with great reserve.

Therefore I believe, Mr Normanton, that no one in this House opposes multinational companies, for we are well aware that only industrial operations on an optimum scale will help us to achieve higher productivity and thereby enable us to improve our living standards.

Behrendt

Now as to profit, Mr Burgbacher. I know of no political school of thought in this world which does not really recognize the fact that it can only live on what surplus there is. Political views do not come into it—but you know whom I have in mind.

Otherwise there would be no fixing of norms under which nations suffer. We recognize this of course. So here too there can be no questioning of profit. But I believe I agree with you on this point: if profits cease to have any normal justification, Mr Burgbacher—and that is precisely the feeling we are left with now after what has been happening with the oil companies—we must act to correct this, in every way open to us and in the full glare of publicity. That is what Mr Lange meant, namely, that we must look for ways and means of putting a stop to this abuse of a position of superior power in the market such as the oil companies have in their particular sector. That is exactly what this debate is all about.

President. — I call Mr Borschette.

Mr Borschette, *member of the Commission of the European Communities.* — (F) Mr President, let me say first of all that I shall not use adjectives but only nouns. For me, from the point of view of competition, there are enterprises which respect the Treaty and others that do not respect them, whether they are multinational companies, international companies or national companies. That is the aim and purpose of the enquiry which we launched in December last year.

What facts have emerged? Firstly, there has been market sharing; secondly, there have been agreements on prices; thirdly, there has been abuse of a dominant position either to impose prices, or to eliminate certain independent companies.

These are some of the facts which have come to light in the course of our enquiry.

As I have already said, this enquiry will be long and difficult and will need sensitive handling. I would therefore ask Parliament not to press us to produce, at some particular moment, partial results. They could only harm the objectivity of the investigation. When the time comes, the Commission will present a comprehensive report on the investigation which it will by then have carried out in the nine countries of the Community. This investigation is under way and in certain of the nine countries it is even in part finished.

But, I repeat that it will be impossible to publish partial results on prices and the sharing out of markets. They would not be objective.

In the name of the Commission, I undertake to submit, when the time comes, to the Member States and to your Parliament, a comprehensive report on the investigations which we have carried out and the results obtained. On this subject, I should like to recall that this report may also contain certain views and findings on the price policies applied by the multinational oil companies. Even if Articles 85 and 86 of the Treaty do not explicitly provide for this possibility, a resolution of the Council on economic and monetary union has invited the Commission to take action along these lines and has invited the Member States to assist it in this matter.

I have been asked whether Articles 85 and 86 are sufficient to authorize the Commission to carry out such an investigation. I will give you a quite definite reply: 'Yes, Articles 85 and 86 are sufficient'. What conclusions the Commission, the Member States and the Council draw from this investigation is, of course, another matter.

I have always defended before the Economic Affairs Committee of Parliament the thesis that, while certain measures can clearly be taken by the Community as such, nevertheless to make a genuine attempt to examine the movement represented by the multinational companies and to solve all the problems to which they give rise, it will be necessary to step outside the framework of the Community of the Nine and to seek a larger framework, whether this be the OECD or the United Nations.

In this connection, I should like to recall that a group of experts called 'the Twenty' has been set up by the United Nations and that it is shortly due to report to the Secretary-General of the United Nations, Mr Waldheim. Needless to say, I do not know what its conclusions will be or what procedure will be adopted in this field.

In short, measures should be taken by the Community of the Nine—I shall return to this matter in a moment—particularly with regard to the transfer of profits and to prices. But let us have no illusions: the only way of mastering the serious problems posed by the multilateral companies is to step outside the framework of the Community and to draw up a sort of code of good conduct applicable not only to the industrialized countries—I am thinking of the United States, Canada and Japan—but also to the developing countries, even if their problems are different.

Mr Flämig raised the question of the transfer of profits. We are here confronted with a type of fiscal evasion against which we must react. At present a working party, set up by the Com-

Borschette

mission and placed under its authority, is trying to see what measures could be taken, but here again the problem is beyond the capacity of the Community alone. In any case, work in this field is already going on in the OECD and the United Nations and will no doubt lead to less restrictive measures than those which the Community might decide on.

Whatever the outcome, however, I undertake in the name of the Commission that formal proposals will be made on this subject. But I cannot say by what date it will be possible to do this.

The question is to know whether the invoiced prices have been the same for the headquarters companies and their branches. You will understand that even if the investigation had revealed practices of this sort, I should not be able to talk about them. I shall merely repeat what I said not long ago in this forum, namely, that there is a limit beyond which I can certainly not go. If the Commission decides to apply sanctions against illicit practices, recourse to the Court of Justice is likely, and any indiscretion could rebound on the Commission. I must therefore act with the greatest discretion.

Finally, I should like to say that there is close collaboration with the Member States. While saying that, I wish to distinguish between, on the one hand, the Commission's daily actions, if I may so describe them, against the practices of certain enterprises and, on the other hand, the more or less global action at present being taken by the Commission with regard to the behaviour of the oil companies.

Particularly responsible and competent authorities on these questions are to be found within the national framework. The Commission is therefore working in extremely close collaboration with them. A more or less permanent exchange of information and documentation with these national authorities is taking place. In any case, each time that we undertake an investigation in a Member State, we have to inform them of this and afterwards let them know the result. This ensures coordination between the different Member States and the Commission.

At the end of the investigation into the oil companies, which—I repeat, Mr President—will take a long time, the Commission will submit to Parliament its comprehensive report.

(Applause)

President. — I call Mr Spinelli.

Mr Spinelli, member of the Commission of the European Communities. — (1) Mr President, I

have little to add to Mr Borschette's remarks. But I should like to examine further two points made by previous speakers.

The general debate on the problem of multinational companies will be held when your committee has had an opportunity to consider our report on the subject. For the time being, therefore, I shall confine myself to the two points I mentioned. It has been asked whether the Commission was considering the possibility of proposing double taxation of parent companies and branches operating in different countries. On this matter the Commission has already submitted two proposals for directives which have been with the Council since 1969 and have already been considered by the European Parliament.

Mr Fellermaier wanted to know what measures the Commission felt the Council would take to deal with the multinationals. Let me say that we are not prophets and we cannot therefore know what the Council will do. Our document on the multinational companies, which was requested by the Council itself during the Danish presidency, will provide an opportunity for all of us to see how far the Council—that is to say, the Member States of the Community—is prepared to go in order to deal with these companies.

It is rather difficult to say more at this stage. I fully agree with Mr Fellermaier that in any case, if the multinationals, or indeed any major economic force, are to be effectively controlled, an additional effort of publicity is highly desirable. That basically is the reason for a debate such as this.

Those were the points which my colleague, Mr Borschette, had left unanswered. In conclusion I should simply like to confirm that no one in the Commission, or, I believe, in the Parliament, condemns profits as such; but it is evident that profits may sometimes be excessive, result from a dominant position and escape taxation. It is to control these aspects that measures must be taken. It is not good enough to wait and see what happens and then take appropriate measures; the power to take action must exist so that there is that minimum of political and administrative cohesion which enables abuses to be effectively detected. We cannot wait until thefts have occurred before enacting laws to prevent them.

(Applause)

President. — Does anyone else wish to speak?

The debate is closed.

5. *Oral Questions with debate: Present state of the Community — The Commission's role as guardian of the EEC Treaty — Improper procedure in Council deliberations*

President. — The next item on the agenda is a joint debate on the following three Oral Questions:

- Oral Question, with debate, by the Political Affairs Committee to the Commission of the European Communities on the present state of the Community (Doc. 58/74);
- Oral Question, with debate, by Mr. Durieux on behalf of the Liberal and Allies Group to the Commission of the European Communities on the Commission's role as guardian of the EEC Treaty pursuant to Article 155 (Doc. 8/74); and
- Oral Question, with debate, by Mr Durieux on behalf of the Liberal and Allies Group to the Council of the European Communities on improper procedure in deliberations (Doc. 9/74).

I call Mr Bertrand to speak on a point of procedure.

Mr Bertrand. — (NL) Mr President, do you intend to apply the normal rules on speaking-time in this debate?

President. — At the beginning of the present part-session, we decided to limit speaking-time while showing flexibility as regards this debate.

I propose that the authors of the questions be each allowed 20 minutes at the most.

We shall deal first with the Oral Question put by the Political Affairs Committee to the Commission (Doc. 58/74), which is worded as follows:

How does the Commission of the European Communities view the present state of the Community, and what measures does it envisage proposing to the Council of the European Communities to overcome the grave difficulties of the past few months?

I call Mr Giraud to speak to this question.

Mr Giraud, *chairman of the Political Affairs Committee.* — (I) Mr President, the question which the Political Affairs Committee unanimously decided to put to the Commission at this second April part-session offers our Parliament an opportunity for a wide-ranging, serious and responsible debate on the present state of the Community.

The Commission has already had occasion to express its view in the well-known statement of 31 January, followed by the presentation to this Parliament of the general report for 1973 and the programme for 1974 on 12 February.

But, Mr President, the events which then followed in the Council, at its meetings early in April in Luxembourg, lend further gravity to our observations, and I hope that the Commission will give us the benefit of the judgment and information we expect from it. I would add that if, for procedural reasons, the question is formally addressed to the Commission and not also to the Council, it is clear that the presence and participation of Mr Apel, who has agreed to be with us today (for which I thank him), enable us to address our remarks to the Council as well.

After all, the principal partner in this discussion must be the Council, and, in the light of the deterioration in the community spirit of the governments, there is bound to be a confrontation between the Parliament and Commission on the one side and the Council of Ministers on the other—a confrontation, in other words, between the Europe of the treaties, which the Parliament and Commission are still trying to support in so far as it is in their power to do so, and the Europe of the governments, which are increasingly making application of the treaties conditional on their own national interests or on their domestic political situation of the moment.

I do not know why Secretary of State Kissinger used the term 'illegitimate' to describe certain governments of the European Community which he did not clearly identify. In any case, this was an unhappily chosen expression, which Kissinger hastily retracted. But while he certainly had no good reason to use an expression which was as incautious as it was absurd, we for our part do—not to contest the formal legitimacy of those same governments, but to denounce the substantial and also formal illegitimacy of their management of Community policy, in violation of certain provisions of the Treaties, in breach of the undertakings they themselves gave at the conferences of Heads of State or Government and in conflict with the real and vital interests of the peoples of Europe.

As the Commission has pointed out, these 'retreats and failures' have created perplexity and thrown doubt on the resolve of the governments to make progress and on the capacity of the institutions to discharge their appointed functions.

The growing anxiety of this Parliament was admirably interpreted by you, Mr President,

Giraud

in your declaration to the Assembly on 5 April. I believe that your brief but effective references to the basic problems of the present situation can guide our debate today.

At this point, Mr President, a preliminary question inevitably springs to mind: what impact can our debate have on the governments, on the national parliaments and on the various political forces operating in the national parliaments? What echo will it find in public opinion? The question is rhetorical and contains its own discouraging reply. Here lies the proof, the irrefutable evidence of what Europe is not and cannot be until this Parliament is given the basic powers of participation in decision-making and control, without which inter-governmental procedures will continue to prevail over Community procedures and the policy of the Europe of the Nine increasingly pale into insignificance.

How can we not agree with President Ortolini when he states that Europe is not inevitable and will not be built unless we are resolved to build it? Long ago Demosthenes warned the little states of Greece to be vigilant against Macedonian domination. The meaning is clear: the inevitability does not lie in the choice but in its consequences. Europe may be built or it may not, but in either case there will be certain effects on the immediate and not-so-immediate future of the Community countries and the rest of the world.

Mr Callaghan is surely also aware of this. His tough opposition to too many aspects of the Community in fact reflects an attitude rather than a policy.

While this is evidently due to the precarious situation of the British government, a quite different attitude was shown by Mr Jobert in a situation of no less uncertainty on the eve of the French presidential elections. The long interview which he gave to *Le Monde* on 17 April holds out prospects which are all the more encouraging as they were unexpected in this quarter and at this time.

We may be justified in thinking that after the long, cold Community winter, a breath of spring has risen from the Seine and reached Gymnich Castle, where, with great courtesy, President Scheel was good enough to offer the foreign ministers of the Community a springtime political weekend in the country, which, it is said—and I hope this is so—has been more positive than the winter talks around the cold hearth.

And so, Mr President, a note of optimism may not be out of place amid all our disappointments in this year of 1974, which, like 1973, will not be the year of Europe but rather a year of

national crises; nevertheless, once they are overcome, Europe may once again begin to move ahead.

If, as Vice-President Scarascia-Mugnozza recently said, 'it would be unrealistic to propose European solutions when internal crises are the centre of attention', it would equally be a serious error for the European institutions to 'accept passively and with apathy the idea of a lost year' instead of acting to prevent the risk of the individual crises' being solved in a manner which conflicts with the process of European unification.

In order to avoid this, I do not think it is enough for the Commission to maintain contacts with the governments and representative national groups; our Parliament must urge all the political and social forces of the nine Community countries to unite in a resolute will to support Community action and influence, where necessary, the decisions of their governments.

With this end in view, we must not only provide more timely and complete information on Community activities to the parties concerned, but also promote forms of contact that are capable of arousing the attention and interest of the political and social forces more effectively in the problems of Community policy.

I think the time has come to make real allowance for the fact that the gap between the national and Community level in many economic, monetary, social, energy and other matters is bound to narrow progressively to the extent that the Community dimension is not only the most appropriate but also the only one reasonably capable of expressing, in the world context, satisfactory solutions in the joint interest of the countries of Europe.

While all this may seem to lessen the role of national political forces, in reality it increases it substantially both in terms of quantity and quality, to extent that these forces not only influence the attitudes of their respective governments towards the Community but also help to form and maintain characteristic political positions in Europe.

We must realize that there is no longer a difference between national and Community facts and phenomena. The actions of the Community are directly present in the lives of each of our countries, just as events which occur in the Member States now assume Community-wide importance. Who would deny that elections in individual Community countries are now in part European elections? Who would deny that the nature of individual governments conditions the development of the entire Community?

Giraud

These are indisputable facts. Therefore we cannot go on believing that the Member States are in the last resort something different from the Community and unaffected by the degree of political integration it manages to achieve.

Against this background, action is necessary to rally the effective forces at work in the Member States around the Community institutions; for too long these forces have remained on the margin of Community life. It is from public opinion in the nine countries, from the political parties and social forces in them, that a fresh impetus could come at this time of crisis, enabling us to overcome through a process of osmosis of ideas and vitality our national and Community difficulties.

We know that the Commission shares our views and that it is therefore legitimate to ask whether it intends to associate itself with an effort to break out at long last from the sterile seclusion in which the Community institutions have for too long been living.

Mr President, in introducing the debate I shall confine myself to this question; I am sure that following speakers will be considering other aspects of the situation and putting to the Commission and Council questions on the urgent problems which—through continuous delay or failure to find solutions—have brought about the present grave stagnation of the Community. *(Applause)*

President. — We shall now deal with the two questions put by Mr Durieux on behalf of the Liberal and Allies Group to the Council and Commission respectively. These are worded as follows:

— Oral Question to the Commission of the Communities (Doc. 8/74):

In view of the large number of Commission proposals which meet with no response from the Council of Ministers, does the Commission not think that it is its duty—by virtue of Articles 155 and 175 of the EEC Treaty—to request the Council to act and, if it persists in failing to take any action, to refer the matter to the Court of Justice?

— Oral Question to the Council of the European Communities (Doc. 9/74):

Does the Council not believe that it is its duty to adopt in the form of binding instruments the proposals submitted to it by the Commission, rather than to express in vague resolutions the political will to adopt them?

Does the Council not consider that the reservations entered in the minutes at the request of the delegations—when these resolutions are adopted—in no way accord with the spirit and letter of the Treaties, and represent a return to the practices of diplomatic conferences?

I call Mr Durieux to speak to these two questions.

Mr Durieux. — *(F)* Mr President, dear colleagues, on behalf of the Liberal and Allies Group I have put down two questions which I will comment on together. One is addressed to the Council, the other to the Commission. They were inspired by the adoption, on 21 January last, of a Council resolution on the social action programme of the EEC. It at once seemed clear to us that this resolution could be criticized for two reasons: firstly, because it amounted in practice to the postponement to a later date of all the decisions suggested by the communiqué of the Paris Summit conference of October 1972; secondly, because the Minutes contained numerous reservations by nearly all the Member States. These reservations were naturally not mentioned in the *Official Journal*, but were subsequently made public by the whole of the press.

This method of work, my dear colleagues, has great dangers for the future of Europe. It points to nothing less than a transformation of the Council of the Communities into a diplomatic conference of traditional type or, to repeat the phrase recently used by the President of the Council himself, to transform the Council into a sort of Congress of Vienna.

Before the debate leads us into more specific and detailed questions, it would be as well to place it in the larger setting of the Communities' work.

The competence of the Communities' institutions to take binding decisions is strictly defined by the Treaty. Recommendations, on the other hand, have no binding force. A certain amount of confusion results from this. The latter type of action is becoming more and more frequent and diversified at the behest of an unrestrained technocracy, without any logical scheme behind it.

Legal experts contrive to distinguish between various acts that are non-binding, so soberly presented in Article 189 of the EEC Treaty: those that have a legislative function and those that have not; those that rest on an explicit or tacit agreement and those which are applied without having been accepted or are not applied; those which are addressed to Member States and those which are addressed to institutions or to individuals—in each case attributing to them different effects.

Even more serious doubts surround the resolutions taken by the Council, which, since they have never been the subject of a preliminary

Durieux

regulation, become the instrument of flights of imagination incompatible with the principle of legal guarantees.

It would be as well if the Commission and the Council defined the nature and proper use of these measures, particularly with regard to the way they are used and to their effects.

It is undeniable today that resolutions are an essential instrument of the Communities' legislative work. They make it possible to establish general programmes defining the activity of the Communities in fields which are too extensive to permit instantaneous drafting of comprehensive regulations. But owing to the fact that they come within the legislative process of the Communities, the resolutions should respect the essential principles, in particular the one which attributes to the Commission a role involving conception and initiative.

In fact, however, one notices all too often that these acts, even though they are in conformity with a proposal of the Commission, are the fruit of an agreement between national delegations, the Commission confining itself to making proposals before the execution of this agreement. I should like to emphasize this fact particularly: it seems to be an extremely serious matter.

This clearly constitutes a *deflection* of the procedures outlined in the Treaty, a deflection aggravated by the fact that the European Parliament and the Economic and Social Committee are often forgotten during the drawing up of the resolution and are only consulted on the texts designed to carry it out.

In order to correct these mistaken procedures, Community practice might generalize the application of Article 54 (1) of the EEC Treaty, which offers, for the adoption of general programmes in fields which are little regulated by the Treaty, a standard procedure in which all the elements of legislative power in the Community take part.

Incidentally, whatever their nature, by their very generality, resolutions are preparatory acts not directly effective for judicial purposes. They cannot, unless used simply for delaying purposes, exempt the institutions from the duty of completing the legislative process, i.e., from enacting standards which are sufficiently concrete to be applicable.

On the other hand, they should not be so general that they become senseless or useless.

The absence of direct effectiveness in resolutions outlining general programmes should not, however, lead to their being considered as totally ineffective measures. They constitute the

framework for future legislation in a specific field and will long remain, for the whole of this field, the reference document. Whatever their binding force, because of the importance of the project which they describe, they have their own logical organization, a 'mass effect' which reduces the subsequent enactments to the rank of acts of execution.

It is therefore necessary to restore to such resolutions all the guarantees which the Community legislative process provides, particularly those drawn from the competence of the Court of Justice.

Furthermore, it is widely recognized that resolutions have the effect of a commitment, at least with regard to the body which approves them, and even for the whole of the institution of which the body forms a part.

Furthermore, the principle of certainty as to the law, the convictions to which the resolutions give birth, make it essential for the Council to respect the commitments which they incorporate, particularly with regard to the timetable established in the programmes set up for their achievement. Without that, the resolutions would be useless acts, devoid of sense, whose sole effect would be to delay the Community legislative procedure, and it would be a matter of astonishment to see such an important organ as the Council unanimously mobilized for such derisory ends.

It would therefore be advisable to fix these procedures in order to establish these principles on a sounder basis. Once the Council and the Commission had agreed on a programme, one could envisage two ways of implementing it; one would be the well-established one of bringing into force very general provisions by a vote of the Council on a proposal from the Commission, whose conceptual role would thus retain all its meaning; the other would grant the Commission a greater role in the execution of provisions which were more precise or of an urgent nature, particularly those including time-limits. Perhaps the mechanisms of the management or regulating committees would make possible a better method of introducing these programmes and promote the respect by the Community institutions of their commitments.

Such is the background to our astonishment: our astonishment that the Council did not adopt the proposals which the Commission transmitted to it and which stem from the precise provisions of the Treaty in the social field; that at the time of the adoption of the social programme, the national delegations were able to put forward reservations which were written into the min-

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utes; that the Commission, in its role as guardian of the Treaty, did not warn the Council of the irregularity of these procedures; and that it does not intend to bring before the Court of Justice the Councils default with regard to the proposals which remain pending there.

It is a reasonable cause for astonishment that the Commission, that critical conscience of the Community, whose political role and whose role of guardian of the Treaties are set out in the Treaty itself, does not use the rights to which it is thereby entitled. It is urgently necessary that this institution, which is collegiate and independent and whose members have joint responsibility, should become fully conscious of the characteristics which distinguish it from the Council of Ministers, a body representing the governments.

It will no doubt be said that our initiative is very belated since it was the Luxembourg agreement of January 1966 which, in actual practice, institutionalized the method of taking decisions which we are criticizing here.

If we are only taking the initiative now, it is because the climate seems to us propitious for a return to orthodoxy in the deliberations of the Council.

Was it not Mr Walter Scheel himself who, very recently, proposed before the Parliament and the Council that the harmful practice of the veto should be abolished and that the principle of majority decisions should be restored within the Council?

Events of which you are all aware indicate that the very existence of our Community is at stake. *(Applause)*

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

(The sitting was suspended at 12.55 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR DALSAGER

Vice-President

President. — The sitting is resumed.

I call Mr Ortoli.

Mr Ortoli, President of the Commission of the European Communities. — *(F)* Mr President, ladies and gentlemen, the Commission is pleased to have this opportunity to state its position on a number of problems which are amongst the most important facing the Community at

present. Apart from what Mr Durieux has said about its role as the guardian of the Treaties and the administrator of the policies which it has established, it is also, or wishes to be—and I believe this is the spirit in which the Political Affairs Committee has put the question to us—the force behind the construction of Europe and to some extent its conscience.

With Mr Giraudo, I should like to say that the question has not taken us off our guard since, as he mentioned, the state of the Community is undoubtedly the subject on which we have made our position most clear during the past weeks.

We did so on 31 January in a statement and on 12 February before this Parliament when introducing the Commission's General Report on the Activities of the Communities, and we did so again with the President of the Council, in a joint declaration on 1 April in Luxembourg.

In these various declarations, the Commission analysed the causes of the *malaise* affecting the Community and proposed the remedies which seemed to us to be appropriate.

This analysis can be stated in a few words. Europe has to face a new situation for which it was not prepared and which has graphically shown its weaknesses and its dependence on others, but which has also demonstrated clearly the need for unity, both to us, the Commission, and to you, the Parliament. I hope it is also clear to those who are assisting in the construction of Europe, and in particular the governments.

Europe has had to face this test in a state of crisis: a crisis of confidence, a crisis of will and a crisis of clarity of purpose.

Apart from the causes already mentioned, there are a number of elements which affect the political situation: the presidential election in France and the major uncertainties resulting from the questions which the British government has put or is to put concerning the terms of its participation in the Community. All this weighs very heavily on the Community atmosphere, and we should not try to hide the fact.

In this somewhat troubled period we must, I believe, remember three things.

The first is to reject the idea that because of these circumstances or these difficulties there should be a pause in the Community. We must show our clarity of purpose and decide to go forward.

The second point is that our institutions must be strengthened; this is necessary from the point

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of view of democracy and from the point of view of efficiency.

The third point is that we must think actively about the development of Europe. This is the object of our ambitions, the focal point of our hopes, the question of European union.

There is a temptation at present to mark time, for the reasons, both old and new, which I have already stated. The idea of marking time is convenient, because one can deplore the difficulties one is experiencing and formulate hopes for the future while taking refuge in the prospects of European union. It can even be presented as a means of consolidation on a line of resistance, as a means of holding on to what has been achieved, as a means of preserving a starting-point for renewed activity by the Community.

It is therefore a convenient position, but one which in our view is exceedingly dangerous. The period of marking time could and would degenerate into stagnation.

The climate which will develop if we decide to do nothing new will generate the idea that everything we do in fact is rather useless, and that we can very well live without the advancement of Europe. This might even affect the normal running of the Community, which calls for new elections and decisions every day.

We have said, and I would repeat, that we believe that lack of progress constitutes a retreat, and first of all a retreat in the minds of our peoples. It is easy to forget that we are accountable not only for a treaty but also for the hopes which the European peoples have placed in the structure we are creating. If we accept the idea that, for a certain time, one can call a halt—and ultimately it is, in fact, the case—I am convinced that the idea of Europe, which has already been affected by our hesitation and our inability to take decisions in certain cases, will suffer a severe setback. We are not creating Europe for the pleasure of a small number of people, either in the Commission, in the Council of Ministers or here, where the people are represented. We are creating it in the name of the nine peoples of Europe who have decided to undertake this great adventure.

We should not by our attitude lose the opportunity to give Europe the popular support it needs, the peoples' conviction that we can see in which direction we should go and can take the necessary decisions. We should even be falling back from the position we have been able to achieve, since those who say that one can hold on to the achievements of the Community forget that, with the same texts, it is possible to create a

forward-facing Community, a progressive Community, or, on the other hand, what we would call a Community but which, if I may express myself thus, would be a flabby organization in which nothing happened. To agree to mark time would, in fact, mean agreeing to a sort of relaxation in this tense situation in which we have placed ourselves to make progress in Europe.

In addition—and for me this is the essential point—we should at the same time risk accepting a withdrawal of the Community idea, that is, settling for a system in which the few problems which arise—and they will be important ones—can be dealt with by chatting among ourselves.

What provides the force behind the construction of Europe is the Community, and it is by advancing this Community that we shall provide the means to reply to the questions that have been put. To accept the idea that the Community can remain in its present position is to say that no other means are needed to deal with the problems with which we are faced. The Commission refuses to do this.

Let us reject this pause! I am convinced that decisions are both necessary and possible. We have to face economic and international problems in which our interests are the same and in which, therefore, we must act together. To meet these problems, let us take definite action! We have endeavoured, with the President of the Council, to put forward such action. We have not sinned, I believe, by an excess of ambition, nor have we sinned by an excess of timidity. We said to ourselves that if a number of decisions were taken in this period, it would show that the Community was alive. Even though it does not have any great ambitions at present, it will achieve progress on significant points, which will demonstrate clearly that it is an active political entity which knows that action is necessary in order to live. In the matter of economic and monetary union, which remains the focal point of our activity, we must never say die. The effort which has to be made to ensure greater convergence in economic policy and, to begin with, even in this period—especially in this period—to reduce disparities and achieve solidarity, is a far-reaching effort completely in line with the course we have set and in line with the objectives we have laid down.

I believe that such an effort is possible. We have adopted the means in the directives on stability, the decisions on the convergence of policies. We must make this effort while struggling against inflation and at a time when, in

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this fight, we have to pursue identical aims taking account of the fundamental social and economic problems of the nine countries.

When I say that we must continue to make progress in economic and monetary union, it is because I am convinced that, if we do not do so, there are many reasons today why divergent economic situations and divergent monetary situations will separate us to the point where we cannot maintain what we have tried to create.

This has to be recognized and it has to be said. Then we shall have no excuses for not taking definite action—not, perhaps, exactly the action we envisaged in better times, but one for which there is a powerful argument: first to bring policies together, and then to ensure that monetary solidarity, which has already suffered a serious set-back, does not continue to lose ground. In the monetary field, we must try everything possible in order for progress to be made. We shall not achieve a common currency tomorrow: that is quite certain. But let us not say that, because the 'snake' has experienced difficulties, we can no longer take such action in monetary matters. Between the currencies which form part of the 'snake' and those which do not, we must look for links which will enable us to solve together the monetary problems with which we may be faced.

Let us make the progress which we seemed to have in mind at yesterday's meeting, when we have to tackle intelligently together a problem such as gold. Let us prepare for the steps to be taken later, when we are trying to bring the currencies together, but let us also accept that at the same time we must consider closer coordination of our monetary policies. Even if these cannot be identical, they should at least not be contradictory, and at those points where they can be identical let them be so. As far as possible, let us adopt common attitudes on monetary matters with respect to the outside world. One argument which some of you will have heard me defend and in which I profoundly believe is as follows: at the present time one of the reasons why we have the greatest interest in building Europe, in advancing together in Europe, is the unheaval which the international economic and monetary world is experiencing.

We are in the process of redefining the basic features of the international economic and monetary system for a long period, and we shall be redefining them for some time to come. We have common interests, and none of us has sufficient weight to influence the decisions which will ultimately be taken; but Europe can use its unity, its weight and its strength to

defend wholeheartedly the common interest of the European peoples. Let us realize this, let us state it clearly and let us do it!

I have spoken of the convergence of economic policies. I do not believe that complete monetary union or a common currency can be achieved without first achieving genuine convergence in our attitudes. However, if this convergence is to take place, we must ensure that the imbalances which sooner or later will weigh very heavily on our will to achieve unity are not accentuated. Let us therefore create this Community regional policy which is today in abeyance! I am convinced that a clear and joint examination of regional policy, together with a political will, would enable us to achieve results within this framework of economic and monetary union, amongst all this action which has been called limited and which I believe today is vital—other examples could be added to those which I have just quoted. Let us re-examine all the problems facing us and try to take a common view of the general future of our economies, so that our policies are based on an understanding of the future.

There is one other area in which we could make immediate progress—namely, energy policy, in which we are confronted with the same difficulties and the same problems. Here we can really create a common strategy. We can aim at organization of the European market. We can seek to achieve together less dependence on imports.

That means two things: let us develop our resources together and provide ourselves with the means of saving energy. By working together and with others, we can create a research policy that will leave room for national policies and cooperation with others and will allow us to mobilize the means—which I am convinced are comparable with those which the United States of America has acquired—to carry out European research to prepare for its independence in a few years.

Only our lack of will can prevent us from seeing where our common interests lie and going forward. Here again, let us have a common external energy policy! Let us adopt a common position on all the problems we are facing!

This is another question which we should debate, one of the points where necessity will enable us to make progress.

In the matter of external relations, there are dossiers on the table which do not call for great reflection but which do call for decisions: Mediterranean policy, negotiations with our associates, but also, it seems to me, the possibilities for our Community development policy, our

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common attitude to all the developing countries. We can make progress in these areas as well.

Finally, we must make some progress in areas where matters are perhaps progressing rather slowly, but are progressing, and which have been called secondary policies, but some of which—I am thinking of social policy—go to the heart of the Community's problems.

You will tell me that this is a dream. I would ask you, why? You will say, because the situation is not such that you can take any decision on these matters. Some will even add that the problems raised by the British demand for renegotiation compel us to mark time. I say, certainly not! Why should they?

The British are to put questions to us. But should we therefore forget the foundations of our decision to join together to create Europe? Should we forget that many of our interests are common ones and that we must advance together?

Can it be said that there is no point in discussing energy problems together and in seeing how Europe, whose solidarity is one of fact and not merely political, can meet the challenge of being an area which is highly dependent in matters of energy? Can it be said that the problems of inflation are not common ones within a developing market? I do not think so.

I am convinced that we should not accept the idea that, because of the general situation in the Community, we must come to a stop today whether we like it or not. It must be said simply but also with very great force. That is why, with Mr Scheel, we have put forward these few points. We have not written a hundred pages about the matter, but we have asked if anyone could show us, on these points, any real reasons for not going forward.

Since we have undertaken to construct Europe, let us do so and go forward! This means leaving aside greater and higher ambitions. There are many things which we could do and which we shall not do straight away. But let us carry out this programme: then we shall have demonstrated that we refuse to call a halt; we shall have taken a step to show our political clarity of purpose; we shall have shown Europe's capacity to pass through its difficulties by concentrating on what is essential and demonstrating that this famous political will about which so much has been said actually exists. That is the first point which I wished to develop.

My second point is a very simple one and is along the same lines: let us strengthen our ins-

titutions! In my opinion, this involves two things. I see no reason why we should not take a decision on the problem of the new powers of the European Parliament. For my part, I should like the report which we have submitted to the Council, and which it is in the process of examining, to be actually dealt with. Whatever happens, who can say that there is no desire for a little more democracy and more powers for your Assembly in the institutions as they exist at present? Let us deal with this report, which has its limitations but contains possibilities for the future, and we shall have given a new strength to our institutions.

Let us also agree to consider the fundamental problem of decision-making within the Community.

With Mr Scheel we have proposed, on the one hand, that the working methods of the Council be slightly modified. One of our proposals is that the Council should become once more a Council of Ministers or a cabinet—that is to say, that the ministers meet at each of the sittings to discuss amongst themselves, with the President of the Commission and without experts, the topics which are on the table in order to deal with the real difficulties and not merely those which arise as the experts build up details and battle over secondary problems.

Our experience at Gymnich showed me that, as soon as one deals with problems frankly, progress is made and at those times policy is discussed. This is one of the main roles of the Council of Ministers.

We should also endeavour, and this depends on the will of the governments, to make more room for the Permanent Representatives' Committee. There is no conflict between the Commission and the Permanent Representatives' Committee.

Regarding the well-known problem of arriving at decisions, we have proposed, with Mr Scheel, that when there is a clear majority the use of the abstention procedure will make it easier to arrive at collective decisions and prevent this sort of hold-up which threatens to become permanent.

These are the ideas which we have expressed concerning what I have called the strengthening of the institutions.

In saying that, Mr Durieux, I am answering many of your worries. You have made a remarkable legal analysis of the problems which could arise. You have spoken of the general programmes and the risks they may involve if they are not followed by action in which the Commission exercises all its responsibilities.

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We are taking steps to avoid any additional hold-up or inertia on the part of the Commission or the experts. Thus, for our important proposals, we intend to adopt procedures and timetables designed to ensure that our efforts are not dissipated and we are not prevented from having some control.

We propose that the Council should stipulate that at a certain date we shall do this or that to try and arrive at a decision at a given time.

The proposals we submit are very numerous, and if we do take all the proper measures there is a risk that we shall lose control over them. We must therefore organize ourselves.

I have also asked that all the proposals still pending be gathered together and re-examined, and I plan to undertake a general examination of each sector with the persons responsible. This is to determine which are the most out-of-date or inappropriate, and then to put a question on the essentials of each topic to the Permanent Representatives' Committee and then to the Council of Ministers, drawing their attention to those problems which have been held up for months and even years.

We must develop a procedure to enable us to clear a whole field of Community action comprising matters which are admittedly not at the highest political level and which a national government would regulate at the technical level. We must achieve at least some progress in this area.

I believe that more action on our part and a clearer view of the hold-ups we are facing is one of the means of making quiet progress in the Community, for in many cases the absence of political will is a pretext. The ministers often do not know that particular matters are pending. It is the objective situation, the cumbersome procedure, which is responsible, and the result is that the battle goes on indefinitely among the experts. Let us therefore take decisions to settle these problems and bring progress. It is in this spirit that I speak, modestly—as you see—but forcefully of the strengthening of the institutions.

If we turn to Parliament and ask it to respect its political function and organize itself to fulfil it—this is also the question which we put with Mr Scheel—we could make the Community more effective and produce progress in Europe.

This does not mean that there are no other problems, as you well know; nor does it mean that we shall have the means to go forward.

However, I am personally confident, since, whenever the ministers have met and have agreed

to state their problems freely, the climate has improved and the results have shown that the Community is a reality. Certainly there is still some conflict, since it is not always possible to achieve friendly unanimity, but every time I sense better understanding and I detect tangible results.

That is the second subject which I wished to mention.

The third, as you well know, is the task of defining what we expect from the Community, the future of the Community, that is, the problem of European union.

I do not believe that in the coming weeks we shall have defined European union, but I believe that at the present time it is necessary—the question was rightly put at the Paris Summit—to ask about the future: 'What do we wish to do together? To what extent do we wish to see Europe assuming certain powers? Who will assume these powers?'

Several problems then arise: that of efficiency, that of the states—how will they be represented, and what role will they play?—that of democracy, i.e., Parliament, with the question of universal suffrage and legislative powers.

It is right for us to ask questions. The procedures which we shall progressively introduce must make this business of Europe more popular. When I say 'more popular' I do not mean better understood or more fully accepted, but more universally discussed. The questions must be put clearly. We are not ashamed of creating Europe and we are not ashamed of the aims we are setting ourselves. On the contrary, it is in our interest to explain what we wish to do and, first of all, explain it to ourselves. We can only benefit from approaching the people and saying: 'These are the interests which we are defending.'

When the value of one or another action is today questioned for one or another reason, look a little further, look a little higher, see what we can put forward and what we need!

Personally, I believe that in the coming period we shall have considerable work to do. Let us approach it with modesty, but let us not forget that this interest in the future of Europe is essential for us all, and that it underlies many debates taking place here.

Whatever the powers, and whatever the institutions defined as part of European union, we shall experience a phase in which we must continue on the basis of the present institutions and the present communities, adapted slightly as we modify our methods.

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My view is very clear on this point: the Communities are the basis of Europe, and I believe that in the coming period we must use all the opportunities we have to extend our activities within the present framework. I shall state this quite clearly: when it is said that the Communities constitute a foundation, this foundation has some meaning if we progressively extend our field of action. This does not mean that we shall not be doing something very different in seven, eight or ten years' time, particularly as regards the institutions. Nor does it mean that I wish the Commission to be everlasting, to represent indefinitely the proposing body, possibly the managing body—and when I say 'management', we have asked for wide use to be made of the possibilities open to the Commission in this respect—or that it should be considered as being the agent of the Community. This argument has been put forward. Perhaps there will be no Commission in ten years' time: I do not know! What is certain is that today the Community has demonstrated, on the basis of the Treaty of Rome, that we have powerful means of making progress. Let us continue to use them while awaiting the time when we have achieved a transformation within the European union.

That is what I wished to say in reply to the question which has been put.

I shall not deal at length with the state of Europe. Everyone is familiar with the situation. There are apparently excellent reasons today for doing nothing. In fact, there are no such reasons. We must not endeavour today or tomorrow to produce any great novel ideas; we shall not succeed. That is not the problem. But there are problems today in which it is possible to make progress and give clear proof of the European will.

Let us abandon words and return to deeds! Such deeds can be accomplished. However I look at things, I do not see anything to prevent such progress, provided the will is there. I am comforted by the idea that all this is self-evident. The need for Europe is demonstrated more clearly as progress is made in the difficult situation we face.

I should like us to understand and realize that time must not be lost. While we have quite modest ambitions for the coming period, I am asking for them to be achieved and intensified, since they are legitimate ambitions. This is the type of talk we must use and which the ministers must use. It is this attitude which the President of the Council and I have adopted, and I deeply believe that we are right. We

must face our historic responsibilities. Ideas must be directed at something definite. Any stagnation is a retreat. There is nothing which can either entitle or persuade the Commission to forget that we have decided to create a Community and that today this Community needs to move forward.

(Applause)

President. — Thank you, Mr Ortoli.

I call Mr Apel.

Mr Apel, President-in-Office of the Council of the European Communities. — (D) Mr President, in this distinguished House there are those who are free and those who are only half free. I certainly belong to the half free, because in reply to a question which has been put to the Council I can of course only read out what has been written down for me. You will appreciate this.

However, I should like to make three remarks before answering Mr Durieux's oral question.

My first remark: I fully endorse what President Ortoli has said about the acute needs of the Community. President Scheel and he have submitted an action programme; it must be implemented—that is a bare minimum.

My second remark: in coming months it will be important for us to tell each other in quite sober and honest terms what kind of Europe we want. We have not done so in the past. We have not spoken out often enough to make it clear to one another whether we want a supranational or intergovernmental Europe. This point must be clarified in 1974. Everyone who takes part in the discussion must be clearly aware of the consequences of his reply to this question. Advocates of intergovernmental Europe cannot, for example, want unlimited monetary support and an effective regional fund. But advocates of a supranational Europe are always entitled to claim the help of all their partners on every issue.

A third and final introductory remark: I strongly believe that we should seriously examine how the workings of the Council of Ministers can be improved. But the workings of the Council merely reflect the disagreement which exists between the nine Member States. In other words, the workings of the Council can only be effectively improved if a minimum consensus is first reached in the nine capitals as to the kind of Europe we want.

Mr Aigner. — (D) Intergovernmental Europe will probably come.

Mr Apel. — (D) I am afraid, Mr Aigner, that it will be one of the variants, but I believe we agree it is not the variant which we in the Federal Republic want. We stand for supranational Europe.

(Applause)

It is desirable and necessary to speak about the workings of the Council of Ministers, but we should clearly recognize the fact that in the image it offers to you the Council reflects the different political views and the political immobilism of the nine Member States.

I have said enough; I am already going far beyond my role here. But I shall take the liberty of speaking later in the debate on my own behalf.

Now I shall answer Mr Durieux' oral question.

Mr President, the fact that the Council has recently taken refuge time and time again in resolutions cannot be overlooked. Nor can it be overlooked that it would have been logical and better to have adopted legislation. That is the real function of the Council of Ministers. On the other hand, I consider it reasonable and appropriate for the Council, in face of the inextricable political problems which repeatedly beset it, to adopt the procedure and methods which enable it to take progress. In other words, it is often better to adopt a resolution expressing the political resolve of the Council of Ministers than to wait until all the technical and legal questions have been settled. We are aware that we must then still solve technical and legal problems, which often have political implications. I am therefore willing to take note of the criticism expressed in the question, but would ask you to recognize that it is often more reasonable, intelligent and indeed better to pass a resolution than to founder on technicalities which are often highly charged politically.

As regards the second part of the question concerning reservations entered in the minutes and asking whether it is desirable for such reservations to be entered in the minutes when the Council of Ministers takes decisions, I must say that I cannot fully understand the criticism voiced in this question.

It is quite usual at national level, in the national cabinet—at least, that is our experience in the Federal Republic—for individual ministers—in Germany, the finance minister in particular—to put down a note in the minutes expressing their disagreement with a decision. If you like, this is a justification for the minister to which he can refer later.

If that is reasonable at national level, it must also be reasonable in the Council of Ministers, particularly if individual ministers are enabled in this way to set down their own views. Where a note is entered in the minutes it is clear that reference may be made to it again later, but that does not complicate the procedure and I cannot therefore understand how the conclusion may be drawn from the fact that reservations are often entered in Council Minutes that the Council is coming to represent no more than a diplomatic conference.

President. — Thank you, Mr Apel.

I call Mr Bertrand to speak on behalf of the Christian-Democratic Group.

Mr Bertrand. — (NL) Mr President, on behalf of the Christian-Democratic Group I wish to thank the President of the Commission of the European Communities, Mr Ortoli, for expressing the political views of the Commission in such a convincing and clear manner in this debate.

Mr Ortoli said: 'For the time being there seem to be many reasons for doing nothing—but we will not accept a standstill. We must continue and take decisions in various areas!'

The Christian-Democratic Group fully endorses this summary of the Commission's political views. We share the belief that there is no reason at this juncture for interrupting the normal working of the Community or the implementation of a number of political decisions taken in recent years at Summit conferences of Heads of Government or State. I am thinking of the Summit meetings at The Hague in 1969, at Paris in 1972 and at Copenhagen in December 1973. The decisions taken then still suggest that solutions should be found on the basis of the existing Treaties in the framework of the Community institutions. I wanted to stress this point at he outset.

Secondly, I wish to emphasize that the Commission's statement of 31 January 1974, drawing attention to the crisis in the Community and referring to a crisis of confidence, a lack of political resolve and healthy understanding, was issued before the change of government in the United Kingdom. The crisis in the Community cannot therefore be ascribed solely to the change of government in Britain. This is an important observation for an analysis of the present situation in the Community.

When the Commission, on the occasion of the presentation of its Seventh General Report, drew attention once again on 12 February to the serious crisis we are experiencing, we noted that

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the President of the Commission twice analysed the crisis in the Community but put forward no specific proposals for a solution.

The Commission made good this failure by its joint declaration of 1 April, with which it submitted a limited, practical Community programme to the Council at a time when an important new element had been added to the crisis of the Community namely, the change of government in the United Kingdom.

On 1 April the government situation had changed; this was reflected in the formation of a minority government in the United Kingdom, leading to an intensification of the crisis through the uncertainty whether a number of political decisions taken at Summit conferences in the past could now be implemented.

I believe it is important to examine the reasons for the present crisis in the Community. Crisis phenomena can be observed in three areas. I am thinking first of all of the internal political situation of the Member States. The United Kingdom has a minority government. From tomorrow, Belgium will also have a minority government. In Italy, political relations have been strained by a referendum on divorce. France is about to hold presidential elections, which will probably be followed by a new political line. There is increasing instability in the Federal Republic because of a number of political developments. The Grand Duchy of Luxembourg is on the eve of a general election. All these factors make it difficult to show political courage and stability in the Council of Ministers.

Internal tensions in the Community itself are the second cause of the crisis. I am thinking of the complete failure of the decision-making machinery of the Council, particularly after the Copenhagen Summit meeting. It was significant that only 48 hours after the conference the Council was no longer able to implement the decisions taken. I am thinking in this connection of the Regional Fund and energy policy. In short, we have witnessed the failure of the Council's decision-making machinery. The Copenhagen Summit also spelled the end of the regular organization of such conferences, as had been intended. There is a prevailing impression of a complete lack of credibility if this path is followed and no new political resolve makes its appearance.

Development towards economic and monetary union is stagnating. No decisions have been taken on the powers of the European Parliament, although a Commission proposal exists which takes account of Parliament's wishes. The Council is just keeping the pot boiling without taking any decisions.

There seems little likelihood of arriving at a Community energy policy. Monetary solidarity has been broken by one of the major countries leaving the 'snake' and by the introduction of a floating currency—despite the fact that this very country had strongly criticized in the Council other Member States which had floated their currencies. Because of its own internal economic interests, this country has left the snake and floated its currency, with all the harmful and dangerous consequences this entails.

Because of a change of government in one of the Member States, fresh negotiations must begin in the Community. I would ask the Commission to ascertain from the government concerned exactly what it wishes to talk about. We must not be content with vague and general declarations because of internal political difficulties. I would draw the British Government's attention to the fact that the European Community has been set up to solve separate problems of the Member States in a Community framework. The Community has not been formed to bring certain Member States into difficult circumstances.

The opposite is true. Whenever a Member State is confronted with difficulties in applying a treaty, it must explain its difficulties and seek a solution within the framework of the treaty. It is wrong to ask for the review of a treaty which has been solemnly signed and ratified: otherwise, international cooperation is impossible. These are the internal difficulties facing the Community at present.

There are also external difficulties connected with the international conduct of our Community in the new situation now confronting us. Europe should speak with a single voice and be able to demonstrate its European identity. Here, too, we hear of failure and repeated disappointments, criticisms which I readily understand. But it remains true that we have been creating a situation of tension with important areas of the world; we need only think of the USA, of our hesitant attitude to the Arab states, our position on the Eastern-bloc countries, on the Mediterranean area and on the developing countries. We are still fraught with doubts and unable to define a common attitude on the basis of a European identity, with all the consequences this would have for our future.

The Christian-Democrats believe that Parliament should clearly define the following four political principles:

1. We adhere absolutely to the achievements brought about over the years on the basis of the existing treaties of Paris and Rome. These achievements must not be questioned.

Bertrand

2. Any effort towards disintegration, from whatever quarter it may come, must be prevented or checked.
3. When reactivating our Community activities we must be guided by the political decisions taken by the Heads of State or Government at the Summit conferences of the Hague, Paris and Copenhagen. It is not necessary to embark on fresh activities until we have escaped from the present deadlock.
4. We hope that the request for renegotiation made by the United Kingdom on 1 April this year will be clarified as soon as possible. I wish to stress on behalf of the Christian-Democrats that the British Government must apply the Treaty and honour its obligations. This includes sending a complete parliamentary delegation to our Parliament. Rather than discussing in complete ignorance of our working methods, it is better to take part in our debates with a view to arriving at solutions. I have the impression that the British Government is refusing to accept the consequences of Britain's accession to the EEC and that British public opinion is not well informed of the solutions which are possible within the Community.

The British Government should start to apply the Treaty by sending a complete parliamentary delegation, so that we can open a dialogue with these representatives. This is necessary to get to know our respective difficulties and find solutions to them.

(Applause)

On the basis of these four political principles, we Christian-Democrats emphatically declare our full support for the minimum programme submitted by the presidents of the Commission and Council to the Council on 1 April. With all deference to Mr Ortoli and sympathy for him, I would ask him to inform our Parliament of the Commission's attitudes in the same clear manner as he did four newspapers, *The Times*, *Le Monde*, *La Stampa* and *Die Welt*, a few weeks ago. I would ask him to make equally clear statements to the Parliament in future. It is not always agreeable for us to learn the Commission's views from our newspapers. As members of parliament we are entitled to a normal dialogue with Commission representatives here.

Mr President, I note that we are at present in a peculiar situation. For the past two years a peculiar procedure has been applied, especially by the Council. The Council uses two systems in its approach to our problems. There are problems which solve themselves and problems which remain unsolved. This appears to be the present tactic of the Council to keep the Com-

munity machine ticking over. But we cannot accept this, Mr President. We ask now—and I am speaking to the President-in-Office of the Council—for the minimum programme submitted by Mr Ortoli and Mr Scheel to the Council on 1 April to be placed on the agenda of the next Council meeting so that it can take a number of decisions. In this way the machinery which has recently been out of order could be set in motion again.

For greater clarity I wish to add a few further points. We believe that at present the most serious problem, involving the greatest risk, facing our Community is that of rapid inflation. This inflation is undermining the purchasing power of millions of persons in the Community, threatening employment and endangering monetary stability. We urge the Council to prepare a common plan for an anti-inflationary policy, which the individual Member States are unable to implement at present. I believe this decision should take first priority at present in order to promote our monetary, social and economic stability. I have drawn attention to what seems to me the most crucial point.

Secondly, we would urge the Council—and we are not asking a great deal—to take a number of decisions in order to consolidate the first phase of economic and monetary union. We are not asking for the second phase to begin at this time. The decisions of the first phase must be consolidated before the second phase can be initiated.

Thirdly, we would like the Council to take a number of decisions to prevent by all available means any further weakening of monetary solidarity. We must do all in our power to ensure that the five countries which have remained in the monetary snake and coordinate the parities of their currencies are supported in their efforts and that, as the President of the Commission has said, contacts are established between these five countries and the four countries with floating currencies in order to arrive as soon as possible at coordinated monetary development in the Community. This is the only way to avoid surprises. I have not forgotten that President Ortoli just said that Europe was not ready to face the new situation created by the monetary crisis, the energy crisis and other secondary crises.

Greater unity of the Community is the only solution if we are to keep these crises in check and guarantee the future of the peoples of the Community.

I have not forgotten this. It is therefore important for us to remember at this juncture that a monetary policy which is not geared to

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economic reality is doomed to failure and can only lead to chaos.

Fourthly, we believe that the Council must give evidence of European solidarity by deciding on the establishment of a regional fund with the necessary resources and with a distribution scale for the use of these resources. If such a decision is not taken, there can be no talk of a regional policy without hypocrisy, which would be doing a poor service to the Community.

If the instrument which alone would make a regional policy possible is not in fact created, there is no point in speaking of such a policy any more.

Fifthly, the Christian-Democratic Group insists—and we are surely not asking a lot—on the need to define at long last a strategy for energy policy and to determine how the Community is to act as a Community in the area of energy policy, energy supplies, price developments and the development of new sources of energy when shortages occur. This could be done even in the present circumstances, and it would represent an important step forward.

Finally, I would stress that decisions must be taken on the strengthening of the European Parliament's budgetary powers if the Parliament is to be enabled from 1975 onwards to exercise democratic control over the use of the Community's own resources which will be available from 1 January 1975.

The absence of these decisions would be of such far-reaching political importance that it would be impossible for the European institutions to continue to function.

If the budgetary powers of the European Parliament are not increased, the Christian-Democratic Group, with the Socialist Group, would have to consider tabling a motion of censure in order to compel the Council to take at long last a decision enabling us to discharge our tasks normally at a time when the national parliaments have lost certain powers.

We agree with the second part of the statement by the President of the Commission, in which he said that decisions cannot be taken unless the institutions are strengthened. We fully endorse this view.

The President of the Commission and the President-in-Office of the Council, Mr Scheel, have in fact submitted a proposal to change the procedure followed in the Council. We are convinced that the greatest obstacle to a relaunching of European Community policy at present lies in the fact that the Council's decisions must

be taken unanimously. As long as this procedure is not abolished, we cannot emerge from our *impasse*.

The President of the Commission has tried to find the basis for a solution by proposing that a system of abstentions could be considered.

Provisionally, we can support this minimum system in order to increase the Council's capacity to take decisions. I would, however, urge the Commission—as a driving force and stimulus in the Community—to approach matters differently than in recent years. The Commission should address its proposal directly to the Council. I am speaking from personal experience, for I was a member of the Council of Ministers of transport for eleven years. I always felt myself to be superfluous in the Council, where I sat as a minister with twenty experts behind me, who gave me a paper on each occasion indicating what I should do and what my attitude should be. Instead of being a political Council of Ministers, this was a technocratic body where no political observations were made. In the Council of Ministers of my own country we had no experts we discussed political aspects and fixed political options, which were then implemented by the experts. In the Community the pattern has been reversed. The experts sit down to work and produce a number of proposals, which the ministers have to endorse. They do not get the chance to set political options. I am convinced that it would be feasible for the ministers to fix political options on the basis of Commission proposals. They could then instruct the experts to follow these political options. That would be a great step forward. On behalf of the Christian-Democratic Group I would ask the Commission to give serious consideration to this point.

As to the crisis now facing us, I wish to stress the responsibility of this Parliament. As members of the European Parliament, we have a responsibility for the present crisis. We have not managed to establish a link between public opinion and European problems. We are going about our work without sticking to the basic principles. People do not know what we are doing here. They do not know our views, and as members of a European Parliament we have largely failed to achieve our goals. I would ask my colleagues, when they have their respective elections behind them, to put questions to the foreign ministers in their national parliaments on their attitude to the limited programme and to ask them whether they are willing to adopt a positive attitude for their country in order to bring about a revival of Europe. If we do not do this, we shall be failing shamefully in our duty as political members of parliament.

Bertrand

A question may not, however, be enough. We must not adopt an ambiguous position by appearing as Europeans here and as nationalists in our own parliaments. We must have the courage to act as European parliamentarians and avoid all ambiguity.

The national parties must also act. They are the mirror of public opinion. We must urge our own national parties to turn their attention to the political stagnation in Europe, which is a threat to our prosperity, safety, development potential and position in the world.

If these aims are achieved, this political debate will to my mind have been a success. We must bring pressure to bear on the ministers in order to draw the Council out of its *impasse*. The Commission must be given the opportunity to bring the whole machine into motion again by submitting appropriate proposals. Then we can talk about European Union and the great international problems. It would be naïve to try to take important steps forward while we are still in a deadlock. The Christian-Democrats hope that the programme prepared by the Commission and Council will once again set European activities moving for the benefit of the citizens of this Community.

(Applause)

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

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, allow me to begin with a comment on what Mr Bertrand has just said. He was certainly right to point out that it is not merely the fact that the elections in the United Kingdom have brought a new government to power in that country which has sparked off a latent crisis in the Community, but that in reality the difficulties are deeper and have a longer history. Mr Bertrand, I cannot subscribe to your evaluation of the present political scene in Europe. You have questioned Europe's ability to act by pointing out that there are a number of minority governments, including the new minority government in your own country. I believe that a minority government, if it has the strong support of the opposition, can achieve just as much in the area of European unification as a majority government. The decisive issue is to determine—Mr Apel, the Council President, put it very neatly and aptly today—what kind of Europe we want. That, Mr Bertrand, is where things begin to get critical, because there are political movements in at least two major Community countries which give good reason to doubt whether they do in the last resort want a supranational Europe.

As to your brief remarks on the Federal German political scene, Mr Bertrand, I consider that political stability in the Federal Republic is guaranteed by a strong government and an opposition which has gained somewhat in strength, by a healthy and strong play of parliamentary forces. As to the economic stability of Germany, the OECD itself has confirmed that the Federal Republic is far ahead of the other main industrial nations. I mention this in passing.

Ladies and gentlemen, last weekend we had a very unusual pleasure—the experience of a political weekend at Gymnich Castle. I believe it is a positive development that foreign ministers made an unconventional attempt—without that famous swarm of officials to which reference has already been made today—to move forward a little in an honest and friendly atmosphere. I hope Mr Ortoli, who was present, can confirm this. But I hope that the spirit of Gymnich will not simply replace the spirit of Summit conferences, at which European timetables are worked out only for it to be found out later that they cannot as a rule be followed.

If the flowers blossomed in that splendid castle, that at least was in sharp contrast to the withered flowers of European reality. The decisive question is whether it will prove possible to implement the action programme of which two presidents have spoken here and to whose achievement those two presidents—the President-in-Office of the Council and the President of the Commission—have committed themselves, or whether we shall find in a debate in this House in a few months' time that a timetable has once again proved impractical.

I believe it is idle to argue whether or not we are experiencing a crisis. But one observation must be made—namely, that the Community is beginning to fray at the edges and that the treaties are looking more and more tattered.

There is a customs union. There is also, although I say this with strong reservations, an agricultural policy. But if we stop to consider the Council decisions covering the price elements of the common agricultural policy, it is apparent that so many exceptions with so many special arrangements have been made for almost every Member State that this complicated system deserves to be regarded as little more than the fiction of a common agricultural market.

There is no doubt that the Community has come to a standstill. The President of the Commission says there must not be a standstill; so far, so good. But if the standstill were used to ascertain what minimum action was possible, that would not be negative, Mr Ortoli. A standstill may also be used to consolidate existing achieve-

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ments. It may also mean recognition of the fact that many objectives were too bold and ahead of real developments in Europe. It must, after all, be admitted that national sovereignty seems all-important now and Community solidarity takes a very poor second place. This was reflected a few months ago in the attitude of the Member States when the Netherlands faced the Arab oil boycott. It is also apparent in the competition between the Community countries to conclude bilateral agreements with the oil-producing countries—bilateral agreements which in the last resort are an obstacle to a genuine common commercial policy.

The oil crisis showed convincingly how little national sovereignty is worth today—and the governments should be made fully aware of this. Multinational concerns were able to do as they pleased in the common market. They even brought national governments to their knees. A Europe of dealers, a Europe of capitalists, a Europe of thinkers—that is what we have. Of course it may be objected that there is also a Europe of the workers, who enjoy freedom of movement. But does this not ultimately mean that the European worker has to follow capital to the great conurbations because we have not yet found the political instruments in the Community to counteract this trend. What about the greater social justice which the citizens of the Community were hoping for?

So far it has fallen by the wayside, because neither the social policy nor the regional policy was operational. They are both still in an embryonic stage, and it seems doubtful whether the embryos will ever mature in view of the present situation in the Community.

No one, ladies and gentlemen, should be surprised if in a situation such as this European workers are disappointed and resigned and if they turn their backs on what we call the European Community because the Community has found no credible answer to the great economic problems facing millions of workers. *(Applause in various parts of the House)*

But stagnation in the Community also means national economic crises which can no longer be overcome with national resources. And I believe that now, while there is still time, the Council should be reminded of its responsibility; otherwise social explosions may occur which will shake or even demolish many other edifices in Europe.

Europe can no longer be helped with words, even the words spoken at Gymnich Castle. It was certainly refreshing to note press reports that Mr Jobert had said—no doubt with an eye

to the tough and bitter election campaign in his own country—that his sights were fixed on European Union in 1980, on a confederation of European states which would have to be based on some loss of sovereignty. Mr Jobert's words have not gone unheard. But it is doubtful whether anyone will be able to remind Mr Jobert of his words as foreign minister when the time comes for action, because no one can say today how the French electors will decide in a few weeks' time.

A few remarks now to the Council. It is strange how the role and imperfections of the Council are discussed to satiety in this House. I agree with the President-in-Office of the Council that formulae from the Treaty are no longer sufficient to hide the fact that the Council's inability to act stems in part from the completely different approach adopted by individual Member States on fundamental issues when the time came for some genuine loss of national sovereignty. The time spent by the Council on its discussions is often inversely proportional to the importance of the subject.

And one further point is clear, Mr President, ladies and gentlemen; the Luxembourg compromise is having bad consequences, because no more majority decisions can be taken. Even on matters of little importance, the Council is being practically paralysed by single Member States. We European Social Democrats therefore urge a departure from this redundant Luxembourg compromise, which encourages stagnation in the Community, and a gradual return to majority decisions in the Council of Ministers; in future more Member States could at least make use of their right of abstention in the Council.

The Council is also blocked in its work by trying to conclude package deals on widely-varying problems. The packages then become so large that the string cannot hold them together and they end up on the scrap-heap. That is the situation we are in today.

This year, however, the Council will have to adopt one package consisting of economic and monetary union, powers for the European Parliament and regional policy. The three components are interrelated. All the Council members will have to show a willingness to solve this set of problems in the next few months. Economic and monetary union is a prerequisite for an effective regional policy. Regional policy is a prerequisite for a balanced social policy, and greater powers for the Parliament are in their turn a prerequisite for the elected representatives of the people to have greater responsibility than in the past in areas of great political importance.

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We European Social Democrats are not asking the Council for the impossible, but the minimum programme—which is possible—must now at last be implemented. The record of achievements may not seem good, but I should like to quote Mr Lange, who said we should not underrate the achievements of the Community, because they can still stand comparison, taken as a whole, with other states and alliances of states throughout the world.

One thing is clear, however: no aspect of the genuine Community policy which has been achieved on the basis of the existing treaties should be called into question, not even by a new Member State, no matter which government may currently represent that state in the Council. The treaties are the constitution of the Community; they are its law and, if they are interpreted progressively, they are also a programme, not a static but a flexible programme for future development. If the political resolve exists, the threshold of European union can also be reached on this basis. And if this Parliament has a task to perform in this connection it is surely that of urging this year that the colloquy with representatives of the national parliaments should become a forum at which leading politicians from the major political parties in Europe state here in this House and on behalf of their parties just what they really want for Europe. This colloquy might be a touchstone for further development.

And now a further observation on the Labour Party on behalf of the Socialist Group: we sympathize with several proposals of the British Government, especially as the economic and social problems of the United Kingdom cannot be attributed to the present government but rather to its predecessor.

But I still say that there should be negotiations conducted within the framework of the treaties, not new negotiations, and the interests of both sides as well as all our achievements must be taken into account. The British foreign minister has announced that his government will be submitting specific proposals to him by June. I believe we are ready for these proposals. We should also be ready—I say this as a Social Democrat—to open a dialogue on these proposals with our friends from the Labour Party in this House, so that it does not degenerate into mere shadow-boxing with the Conservatives. However great my respect for our Conservative colleagues, I must say that it is unacceptable for the Labour viewpoint to be represented by them in this discussion; they have in any case tended to say less recently. The *Süddeutsche Zeitung* wrote as follows on 23 April: 'The further decline in British support

for the European Community is attributable to the fact that British membership is no longer defended in public. Callaghan's two major speeches in the Commons and in Luxembourg, publicly outlining for the first time the policy of renegotiation, have not been answered by an equally authoritative statement from a British politician of comparable status.'

I have no comment on that.

Ladies and gentlemen, let me sum up the demands of the European Social Democrats:

First, democratization of the Community. That is a prerequisite for the functioning of the institutions and for the further development of our Community. The Council must no longer take its decisions in secret without any possibility of legislative control.

Secondly, the Council must at the very least put forward this year a phased programme for a return to the machinery of majority decisions laid down in the treaties.

Thirdly, the European Commission must once again play a more active role as the driving force towards integration. It must not—sometimes there are signs of this—be a mere executive secretariat of the Council, and it must not take account of voting positions in the Council when it submits its proposals; on the contrary, it must be willing, in accordance with the spirit and content of the treaties, to seek a confrontation with the Council when this is in the interests of European progress.

Your best ally, Mr Ortoli, was always the European Parliament. If there is now annoyance and misgivings in this House, that is mainly due to the inadequate proposals submitted by the Commission for an increase in the Parliament's budgetary powers.

(Applause in various parts of the House)

Mr Ortoli, it should not have been possible for Member States' governments to go beyond the Commission's proposals. The Commission, not the member governments, should have made the optimum proposals.

(Applause in various parts of the House)

That is the real criticism I wanted to make here today.

Mr Aigner. — Why did you then fall short of proposals in Bonn?

Mr Fellermaier. — Mr Aigner, you will have an opportunity whenever you choose to continue the European debate in the German Bundestag in Bonn, where representatives as varied as

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Strauss and Barzel simply put forward the same well-worn ideas without offering genuine alternatives to the governmental initiatives of Brandt and Scheel.

I believe, Mr President, that what Mr Bertrand said at the end of his speech should also be repeated by the spokesman of the Socialist Group. The patience of my group, in view of the way in which the Council is dealing with the question of greater budgetary and legislative powers for this Parliament, is slowly running out. The situation may arise where the Council will have to bear public responsibility for our falling back on the only weapon given to us by the Treaty—namely, a vote of no confidence in the European Commission.

Fourthly, the European Social Democrats call for the phased, implementation of economic and monetary union; I stress the word 'phased' because we are realists enough to recognize that the unsolved monetary problems throughout the world are in themselves sufficient obstacle to an effective economic and monetary union. But the uncontrolled price inflation in the Member States would also in itself be sufficient reason for beginning work on this union at long last. All national efforts to check inflation have generally failed.

The belief in national sovereignty which is still so strong in a number of member governments has led to self-deception, if we consider the developments of recent months and attitudes to the multinational concerns. A Community instrument is needed to introduce effective controls.

The Socialist Group therefore welcomes the announcement by the Commissioner responsible in our debate today. We hope that the Commission will very soon submit to the Council and Parliament specific proposals for measures to combat the misuse of power by multinational concerns in Europe.

And now for my conclusion! The European Community has great prospects. It can be an exemplary embodiment of political and social progress. It can be a model of peaceful unity in this world if the political forces—not the governments—in Europe really want it to be all this. There is no alternative to European integration.

If this great work of European unification fails, the European countries will be no more than the plaything of the two great powers. Then final proof will be given to the world at large of the complete failure of our historical task to build a genuine, socially just Europe

This task combines great opportunities with great risks. We Social Democrats are aware of this. I would therefore add on behalf of my group: we accept the risk. We accept it because we owe this debt to the older generation, which experienced war and suffering in Europe, but above all to the younger generation, which carries with it the future of Europe.

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

Lord Gladwyn. — Mr President, my dear colleagues, our present mood, as is evident from this debate, is one of acute, though I think rather exaggerated, depression. We read in the papers, for instance, that Mr Jobert's recent diplomatic performances have so outraged Dr Kissinger — I repeat, this is what we read in the papers—that he has dismissed all possibility of progress towards any European political entity except on the unacceptable basis of a hostile and anti-American *bloc* under French domination, and is now demanding that the European members of the North Atlantic Alliance should—I quote the report—'choose between Paris and Washington'. Well, we must all hope that this report is unfounded, but at least it is pretty typical of the present *malaise*.

Even at the present nadir of our European fortunes, it is not, however, true that we can only choose between a Europe under French hegemony and a break-up of the whole Community idea.

Granted that a sort of French-dominated and rather anti-American 'Europe of nations' has been, and even may still be, the objective of some Gaullists, it remains to be seen whether it can continue to be their objective after 19 May. Even if it is, it will remain unattainable. The plain fact is that Europe cannot be formed on the basis of any national hegemony but only on that of a gradual acceptance of certain supra-national disciplines. We must all believe that in this Assembly, even if we believe nothing else. Even the abolition of all Community institutions and their replacement by an industrial free-trade area, as recommended in certain circles in London, would not work, if only because of the fear of some members of economic domination by the strongest partner in that free-trade area. It is probable that this plain fact will become plainer and plainer as time goes on.

It follows, I think, that Dr Kissinger should not despair. If he is patient—and this is rather difficult for somebody of his temperament—I for one firmly believe that the famous 'grand design' of President Kennedy will still be

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accomplished over the years; but it is certainly true that, shall we say, in a month's time a great collective effort will have to be made to get Europe back onto the rails again.

There are four major directions in which this effort might be pursued successfully, and there is no reason why this Parliament should not bring them to the attention of the Council of Ministers. First, the right formula on energy should be found. This should not be difficult. We must only indicate at what point in the elaboration of a common European energy policy it would be necessary to consult our American ally and how this should be done—whether by the Commission, by the President or by the Council of Ministers or whatever.

The only question of principle involved is that of admitting that the Americans, on whom our security after all depends, should at least be able to express their view *before* any final decision is taken by the Europeans. Surely this is only common sense. Happily, if what I read in the papers is correct, it now looks as though a glimmering of such common sense was beginning to penetrate even the Council of Foreign Ministers.

I do not know whether this will meet with general agreement, but I believe that the second direction should consist in offering the UK Labour Government certain concessions—not involving, I hasten to say to Mr Fellermaier, any amendment of the Treaties. In all justice, there might, for instance, be some modification of the present method of computing national contributions to the central agricultural fund, so as to make them conform more to the several rates of gross national product in the Member States, and an agreement on a substantial regional fund as well.

But this is always provided that the Labour Government accept the broad objectives laid down at the Paris Summit meeting, and on the understanding, of course, that the timetable is not sacrosanct and that every major step towards the attainment of those objectives should be approved by national parliaments. If even that is unacceptable, then—I hate to say it—the only conclusion that we can draw is that the Labour Government, and possibly the unfortunate British people, will simply have to go to Hell in their own way. Perhaps we shall all go to Hell if they do, but that is scarcely a consolation.

Third, a serious attempt should be made to mitigate the effects of the unanimity rule in the Council. Several sensible suggestions have been made to this end. Mr Ortoli mentioned one or two, and there are others. In a new climate of

cooperation, there is no reason why they should not be accepted.

My colleague, Mr Durieux, has already enlarged excellently on this issue from the juridical point of view, and Mr Apel has rightly said that progress will be possible only if the political climate changes. But I have already made it clear that I base my supposition on the fact that there will be a change in the political climate.

Incidentally, Mr Durieux, who has had to leave, has asked me to make some comments on Mr Apel's presentation. He says that he, Mr Durieux, never criticized the principle of resolutions but only the procedures under which they were adopted. Again, as regards rectifications of the *procès-verbal*, he simply suggested that procedures in national parliaments did not necessarily apply to the Community sphere, which is after all governed by treaty obligations, and in any case, he thinks, such rectifications are not made by Ministers, as such, but by national delegations, which are not part of the Community institutions.

I think he has a point there. I shall be interested to hear the views of Mr Apel.

Next, the direction in which I suggest a great effort should be made is a serious study, no doubt under the so-called Davignon procedure, of the best ways and means of arriving at a common European defence policy within the framework of the North Atlantic Alliance. If Parliament, as I should hope, could fairly shortly put forward reasonable proposals to this end, so much the better. They need not involve any supranational techniques at all. They need not terrify anyone. They need not even cost any more money. An intelligent harmonization of arms production in all our countries and even possibly a complete reversal of the old-fashioned and Second World War defence concepts which have largely been applied up to now could, indeed, result, in the long run, in an economy.

Finally, I need hardly say—and everyone who has so far spoken has more or less echoed this sentiment—that Parliament should insist, in season and out of season, on the grant to it of certain powers not only of control over the common budget, but also in the general direction indicated some time ago by Professor Vedel. If Parliament could also advance interim proposals for its own direct election on a national basis, that should also be of considerable help to the Ministers.

Given, as I say—and I repeat this—a rather different political climate, I see no reason why all these limited objectives, which are not in themselves likely to provoke popular passions

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in any national parliament, should not be achieved by the end of the present year. Why do I say this? Well, it is commonly believed that major steps towards European unity are usually the result of fear, and we Europeans, unless we have taken leave of our senses, should now be really frightened for three very good reasons.

In the first place, if inflation and the general slowing down of industrial activity which will probably accompany it following on our physical inability to pay for oil and other raw materials results in widespread unemployment and general misery, so-called 'directed', that is to say, undemocratic, or even totalitarian governments, whether of the Right or of the Left, will be unavoidable. Mr Fellermaier, who I think is now present, is entirely right in what he said on that point. The best, if not the only, way to avoid such horrors is for us in Europe to agree on a common liberal economic policy and to agree on it as soon as we possibly can.

Secondly, it is obvious that the Middle East problem has not been solved, as yet, and that war, unhappily, may break out again at any moment. If it does, it is all too likely, I am afraid, that yet another embargo on oil exports from Middle East countries will accompany it. In such circumstances, it is no good thinking that we, as Europeans, will be able to avoid the application of such an embargo to us by formally declaring our neutrality and thus dissociating ourselves from the Americans, on whose continuing support our whole safety still depends. For if—which God forbid—there is a real super-power 'confrontation', it cannot possibly be limited to one area of the world. There cannot, for example, be such a confrontation in the Eastern Mediterranean and not on the Elbe. In other words, we Europeans can, and should, influence American policy, but it is useless to think that we—and when I say 'we' I mean 'we' jointly or severally—can enjoy a completely independent policy for such time as we have no 'credible' system of defence.

Quite apart from the possibility of becoming involved in a super-power confrontation, there is another fear, namely, that of simply being abandoned by the Americans and left to face alone the vast and daily increasing armed might of the Soviet Union. No doubt this is unlikely, but again, for such time as the Nine members of the EEC do little or nothing to harmonize their several defensive efforts, it is, to say the least, a possibility.

So the short moral, my dear friends, is this. Only by recovering ourselves and by accepting

certain supranational disciplines can we dissipate our three major fears. Without such action on our part all three, in one way or another, are likely to be justified.

(Applause)

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

Mr Kirk. — Mr President I do not suppose that anything could have more fully illustrated the nature of the debate that we are undertaking today than the speeches of the President of the Commission on the one hand, and of the acting President of the Council on the other. On the one hand we had—as we always have—from the President of the Commission a *tour d'horizon* of great force—sentiments which command almost universal support in this House—and a determination not to allow the Community to come to a dead halt. In this the President of the Commission is quite right. Running the Community is like riding a bicycle; if you stop, you fall off.

On the other hand, we had the President of the Council, who, clearly, as President of the Council—and I mean no disrespect to him in any other capacity—came to a dead stop some time ago, along with the Council itself.

This is the dilemma in which we find ourselves at the moment—a dilemma underlined by Mr Fellermaier when he pointed out that the only way in which we could underline to the Council our dissatisfaction, particularly in the matter of budgetary affairs, is to attack the Commission, which we know is on our side. Such a Gilbertian state of affairs cannot be allowed to last for very long.

The most striking thing about this debate has been the degree of unanimity which we have heard expressed. Quite a lot of what I wanted to say has been said far better, particularly by Mr Bertrand, so I do not intend to say it. I shall concentrate most of what I have to say on the British position, which has figured fairly largely in this debate. I see that in *The Times* of this morning I am expected to reassure Members of this House what the British position is and to explain precisely what the Foreign Secretary's position is. It seems that I am expected almost to defend the policies of the present British Government. I should make it plain that I am even less in a position to defend the policies of the present British Government than I was to defend the policies of the last one. In any case, they have Mr Fellermaier to do that for them. There is no reason why I should.

Kirk

One point has come across so far which is a matter of considerable importance. There has been growing in the Community over the last month or six weeks a tendency to use the British request for renegotiation as an excuse for the Commission's misfortunes. I am glad that both Mr Bertrand and Mr Fellermaier underlined the fact that the crisis in the Community began long before the British general election. As long ago as last autumn I remember debates in this Chamber and in the Chamber at Luxembourg in which we underlined the *malaise* that affected us then.

Whatever charges I have against the Members of the present British Government, I should not put against them the charge of having brought the Community to a dead stop; it was stopped before they came to office.

The only danger is that they may try to make it go backwards, which would be a grave error. If we look at the situation as it was before 28 February we see that we had made no progress on any of the major proposals emerging from the Paris Summit meeting within the time-limits set for them. By 1 January 1974 we were supposed to have moved into the second phase of Economic and Monetary Union. Even with the best will in the world it cannot be said that we had even reached the first phase. The 'snake in the tunnel' was becoming a much smaller snake, and the tunnel a little more difficult to find. We had made no progress on a regional fund. By my calculations it is now 145 December 1973, the clock having been stopped at midnight on 31 December. It is unlikely that any progress will be made on the regional fund until about 765 December 1973.

With the end of next year a large number of other deadlines will fail to be met, including progress towards European Union, on which the Council, the Commission and this Parliament are jointly supposed to have produced a report by the end of this year. Nothing is transpiring about that.

No progress has been made on a common energy policy; indeed, the events of the Yom Kippur war were such that progress on a common energy policy seems less likely than it was before that war happened.

None of this can be attributed to the present British Government. It can, as Mr Fellermaier pointed out, be attributed to the last British Government, just as it can to the present German Government—if I may say so without causing offence to Mr Fellermaier. We can no longer accept the idea put around in certain circles that on 28 February or 3 March, when

the change of government took place, somehow the entire Community was transformed from sweetly running order into a state of darkness and chaos. That is not so. It was in darkness and chaos before, and it is slightly more chaotic now.

The second point is that, contrary to what seems to be a popular impression in my country and in the rest of the Community, we are still Members. The fact that I am standing here today is reasonable proof of that. The fact that British Ministers attend meetings of the Council of Ministers and that the Chancellor of the Exchequer, over the last two days, has been discussing financial questions at The Hague and the fact that Mr Callaghan was at Gymnich at the weekend discussing problems of common foreign policy, is proof that we are still here.

I think it was Mr Mitterrand who spoke sadly of the fact that Britain is clearly on the way out of the Community. I do not think that anyone at this stage can talk with absolute conviction about that. There is no reason for anyone in the Socialist Group to be alarmed. I do not intend to interfere in the French elections as they tried to interfere in ours. I am keeping away from it.

The British Government have said that they are renegotiating in good faith. If so, another consequence follows which has, surprisingly, been overlooked. If the Government are negotiating in good faith and wish to achieve a solution within the framework of the Treaty of Rome and the Treaty of Accession, they are not using the argument that is most popularly used against British membership in my country—the argument of sovereignty. Because, if they are renegotiating in good faith and accepting the Treaty of Rome and the Treaty of Accession, they must accept the loss of sovereignty that inevitably goes with them. Not much stress is being laid on this by British Ministers, but it is an important point to be brought out. The question of sovereignty does not enter into the British argument at all.

Other questions are being raised: questions of the contribution of Britain to the general budget—a matter of considerable importance and a matter raised on more than one occasion by British Members in this Parliament since we joined fourteen months ago—and questions about the general framework of the Common Agricultural Policy. There is no question, however, of sovereignty, which, if it were raised, would make it virtually impossible for Britain to remain a member of the European Economic Community.

Kirk

There is a third point which we must also underline. The policy of the present British Government is in principle in favour of British membership of the European Economic Community and has been ever since, in 1967, by the largest majority ever recorded in the House of Commons, the British Parliament voted in favour in principle. That has never been withdrawn by any member of the present British Government.

If we can look with something of surprise at the curious negotiating procedures adopted by Mr Callaghan, and his odd diplomatic habits, we must also bear in mind the fact that among the most prominent members of the British Government is one of three British holders of the Charlemagne Prize. Therefore, one can safely say that the position of the present British Government is to remain members of the European Economic Community, even though one can also quite safely say that a number of members of the present British Government did not want to join in the first place and would like to leave now. How they resolve that dilemma is their problem, not mine. They will have to do that when the renegotiation is complete. It is important to bear this in mind. This is a renegotiation within the framework of the Treaty; in other words, they are adopting in every sense except one the advice that the Conservative Party gave them after the election; they are renegotiating from within. The only place where they are not represented is here, and here we must hope eventually to see them. It is their absence from this Parliament, perhaps, which accounts for some of the fundamental ignorance they appear to have about the Community and the way in which it works—their touching belief that there is still cheap food somewhere in the world which they can import in order to get over the problems of the Common Agricultural Policy, even though their own Ministers, when answering questions in the House of Commons, have admitted that the cost of the Community, in food terms, was somewhere between 0.5 per cent and 1 per cent during the last 12 months.

If they were here they would be able to see that the deficit on visible trade, of about £1,000 million, between Britain and the other eight countries of the Community last year is much less than it should have been in relation to Britain's trade deficit as a whole. We had a total deficit of about £3 000 million last year on visible trade, yet 40 per cent of our trade is Community trade—a deficit of one-third on Community trade, instead of 40 per cent. It is quite clear that Community trade, far from being the drag suggested by those who keep on bringing out this figure of £1 000 million, is

advantageous at a time when the economic position, whichever Government is in power, is going to be extremely difficult. I think it is clear that were they here they would see the advantages of the procedures which we have developed in this Parliament both before the arrival of the new members and indeed to a certain extent since. They would see the advantage of the type of frank discussion that we can have here. They would see the advantage, I hope, of increasing the powers of this place, particularly in the budgetary, economic and accounting fields. They would see, too, that the challenges which every developed country is called upon to face, challenges which arise in the defence field, as my friend Lord Gladwyn said, challenges which arise from the new posture, the new demands of the developing world, challenges which arise from the curse of worldwide inflation and the social unrest which is bound to result from it, are very much better met in common than on a national basis.

They would see as well—and this is a point which cannot be too strongly stressed—that there is no alternative for Britain except isolation of the most total kind, because it is quite clear that if we withdrew we should withdraw to our great disadvantage and that no other country would withdraw with us. We should be even more isolated than we were before we joined. What the effect of that would be on the British economy it is almost impossible to contemplate. Therefore, I for one remain, as I always have been, reasonably optimistic so far as the British Government are concerned.

Mr Fellermaier read a quotation from a German newspaper. He has surely been in politics long enough not to believe what he reads in the newspapers. It referred to the fact that the European cause is not defended in Britain any more. It overlooks the speech made by the Leader of the Opposition last Friday, and other humbler efforts by myself, to make sure that the British people, if they are called to a referendum, as we understand may happen early next year, shall have placed clearly before them not only the advantages and disadvantages of membership but the advantages and disadvantages of any alternative—should such an alternative be available, which I gravely doubt.

That, however, cannot alter the fact that the present state of the Community itself is not the strongest argument that we can use when trying to convince the British people or the present British Government of the advantages of membership. It devolves upon us—those of us who are actively engaged within the Community—to make sure that we contribute our part to getting this Community back on the rails once again.

Kirk

I have never made any secret of my conviction that the main problem lies in the Council. As Mr Fellermaier rightly said, it has become almost haunting, the way in which we keep on discussing the failure of the Council to take any decision on virtually anything. People say that we must do away with the Luxembourg compromise. If we could only just get back to the Luxembourg compromise we should be improving on the present situation, because the Luxembourg compromise said that members should reach decisions unanimously in the case where one member claimed that his highest national interest was threatened. That is now taken to mean that all members must reach all decisions unanimously unless they are prepared to abstain. As Mr Fellermaier said, the odious system of packaging has remained, where endless horse-trading takes place—something which reflects no credit on the Community and is miles away from what was intended in the Treaty. Are we so certain that better cannot be done by the other institutions of the Community as well? There are times when I wish that the Commission had become as streamlined as its President has become over the last few months. It still seems to me to be too cumbersome a body for the purpose of producing proposals readily understandable to the public of this Community, who are the people we have to convince. In the sense of producing proposals which really reflect the necessities of today, where is the Community's counter-inflation policy? This surely is the problem which, more than any other, affects us. What has come from the Commission which is specifically a counter-inflation policy rather than simply a continuation of more general policies—though I admit these can, and will, have some effect on the inflationary situation?

Yet such a policy is what one expects from an administration, particularly a political administration like the Commission.

We, the Members of this Parliament, bear perhaps the greatest responsibility of all, in a curious way. As Mr Bertrand and Mr Fellermaier said, if we cannot make it plain to the peoples of the Community what it is all about, no one else can. We represent them. We are in daily touch and in correspondence with them in our constituencies.

To this extent at least, the newspaper quotation which Mr Fellermaier read was true, in that, since 1 January 1973 in my country, there has been virtually no attempt to explain to people what the Community is about and why it behaves as it does. But I should be very surprised if Britain were unique in that. Certainly, my reading of the newspapers of

the other eight countries does not suggest that the flow of information is much greater or the explanation of Community policies much more detailed or convincing than they are in the British Press. We have, then, a responsibility too.

This is a debate without a resolution, which I welcome. There are times when we should discuss in more general terms than we often do the way in which our Community is going. We are faced with a whole series of crises. As Mr Bertrand said, we are faced with nine national illnesses combined to create one European illness. The Community has been through worse crises before. Anyone who remembers the crisis which ended with the Luxembourg compromise will have some idea of what I mean.

The Community can get through this crisis too, and I believe it will. But it will do so only if the Council is prepared to act, to do something—anything—which will help us to get a move on, if the Commission will remain the dynamic motor that its President showed us today it was prepared to be and if we in this Parliament are prepared to go out as salesmen for the European idea to convince the people of the Community once again what it was that, 25 years ago, brought the peoples of Europe together.

(Applause)

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

Mr Marras. — *(I)* Mr President, although this debate has become something of a ritual in our Assembly, it still has its value in that it serves to express that perplexity to which Mr Giraud referred and, I would add, the impotence of an organization such as ours which is a voice crying in the wilderness. On other occasions, some of them recent, speakers on behalf of our group—several of them more qualified than I—have expressed our views on this problem. I shall simply stress once again that we do not altogether agree with the comments and questions of our different colleagues or with the statements made by the Presidents of the Commission and Council of Ministers.

Of course, problems such as that of greater powers for the European Parliament, of the correct working of the Council or again of the representation of the Labour Party in our midst are real problems: they exist and we do not wish to underestimate them; some of them touch on one of the basic limits of European unification, namely, its lack of democracy and overall representation. It is a strange phenomenon, not only in appearance but also in reality, that in

Marras

this Europe, which has invented modern forms of government and modern institutions, we have arrived at a reversal of powers, with Parliament as a consultative body while what should be the executive, the Council of Ministers, is in fact the legislative authority. It is therefore not surprising that there should be still so much resistance in the individual countries to the transfer of powers to the Community institutions; for example, in the case of our group, the Italian Communists, who certainly cannot be accused of indifference or a lukewarm approach to these questions, there is obvious resistance to the transfer of powers in any area, say that of the budgets or common agricultural policy, from a democratically elected parliament to a council of nine ministers. We do not, however, consider that a solution to these problems, however important they may be, will be the answer to all our difficulties, or that the pragmatic approach advocated by Mr Ortoli in his speech to us earlier this afternoon can be the answer.

We believe our difficulties must be analysed in greater detail: what is needed is a process of self-criticism, starting out from the structures of the Community and able to express a new line and pattern of conduct, thereby helping us to overcome our present impression of powerlessness, in which we must set our hopes in events over which we have no control, such as the election of one candidate or another to the office of president of a republic, or the stability of a government in a particular country. In reality we have reached a particular stage in the construction of the Community—that of the customs union, of the removal of frontiers and of the free movement of goods—and having reached this point, which is often described, not without reason, by the general public as a Europe of merchants, we lack further impetus and ideals to move ahead, and the social classes which wanted this Europe and built it to suit their sectoral ends no longer have any drive.

But we who have been sitting in this Parliament for a long time or have come here only recently—remembering our work and the sacrifices it entails for many of us, we feel a kind of affection for it—sometimes wonder why European public opinion ignores us. Why do the newspapers and television stations not speak about our activities?—So much so that questions have even been put to the Commission and Council enquiring into the reasons for this silence. Well, there is one reason for this. There is no European public opinion capable of reacting today to the centrifugal forces which are exerted from so many quarters, to the subtle play of balances on which construction of the Community is based—although the reason I have quoted will certainly not be shared by everyone. The reality

of Community Europe—let us be frank about it—has little fascination for the various social categories and not for democrats (I refer to the federalists who seem to want to fight with such determination and in complete good faith for a European ideal). A Europe in which the distortions of institutional power to which I have referred exist and in which there is no body elected by direct universal suffrage cannot exert fascination. A Europe without ideals and exalted aims can have no fascination for young people, especially if they are experiencing difficulty in finding employment: after sixteen years, if I am not mistaken, we were still discussing the mutual recognition of diplomas this morning, although the free movement of persons should by now have been introduced. The workers, the great masses of working people in this part of our continent, cannot feel a real interest in social policy, to which a whole chapter of the Treaty is devoted but which only a few months ago began to be implemented—not, of course, in binding regulations but, as Mr Durieux reminded us, in a kind of resolution which exists merely for guidance. And yet we believe it is in this very sector that the Community could have played its part, for in our Europe the levels of industrialization, popular tradition, union membership and social achievement are so very varied.

I am convinced that we in Italy have more advanced social policies in some sectors than in Germany; Germany and Belgium in turn are more advanced in other sectors. An attempt at upward harmonization of these achievements, an attempt to improve the general living conditions of the working masses—within the framework of European ideals in general—is completely lacking, and after sixteen years present legislation is still such that we shall be discussing tomorrow the harmonization of working hours in European factories and equal pay for men and women, although clear provision is made for this in an article of the Treaty.

A Europe of this kind obviously cannot enjoy popular support. Mr Kissinger's comment on the validity and legitimacy of national European governments is in itself dubious and unfortunate; but it would have had a measure of validity if it had been applied to Europe as a whole. In our debate this morning and in the speeches this afternoon, how many of our colleagues stressed the inability of this Community to act vis-à-vis the dealings of the multinational oil companies? Somebody spoke out strongly in defence of profits in this House today; and, however strange it may seem, a Communist is of the opinion that there must be profits in industrial activity. But when we find that the profits of the oil companies have risen by such an enormous per-

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centage and the great mass of consumers pay two to three times as much as before for petroleum products, what can be the validity of a Community which does nothing to counter the effects of this economic distortion on the great mass of Europeans, the workers, the middle classes, the employed?

In our view, this, then, is the main limit of Community construction: its inability to protect and defend the citizen in this and other areas. I shall not dwell on the particularly painful subject of inflation, as many of my colleagues have already referred to it.

At the present stage, when we are faced with this basic reality, to force through Europeanization of the institutions with formulae such as 'federation' and 'confederation', 'intergovernmental' or 'supranational' as used by the President of the Council is not a necessary choice today. These are still utopian concepts, bereft of real meaning. The need is not to set about harmonization at the top; the basic problem is still to overcome the differences between these nine countries and others which may later join the Community.

So long as wealth is still concentrated in a few centres in these countries while millions of workers elsewhere in the same Community are forced to move to the richer areas; so long as a regional policy approved by the presidents and heads of government cannot get off the ground, even on a limited scale; so long as we are faced with a reality of this kind, we shall not make progress by setting objectives and commitments of the kind reflected in the terms 'supranational' or 'intergovernmental'. Mr Ortoli asked us this afternoon to reflect on the future of Europe. We believe this reflection must be comprehensive and deep, without emphasis on any one aspect. What will be the nature of an independent Europe and how will it be compatible with the independence of the individual countries? These are the questions we must ask, because if Europe remains as it is (even if some of its aspects are brought up to date) it will carry no conviction with our peoples.

European ideals can be based only on the vision of supranational unity held by the working classes, which we Communists in every country intend to interpret and express in the broadest possible manner—this working class which expresses its personality in the great union movements of the nine countries and is the only class to have succeeded in reconciling legitimate national demands with an objective international calling.

We must set out from a position of credibility towards these great masses of the population. Either our Europe will be a Europe of the wor-

kers or there will be no Europe at all, at least not of the kind which the most sincerely convinced Europeans are looking for today.

IN THE CHAIR: MR ARIOSTO

Vice-President

President. — I call Lord O'Hagan.

Lord O'Hagan. — It may be that the European Communities are already suffering from terminal cancer and that we in one of the Community's less important extremities are fluttering and twittering in reflex action while the European heart has come to a standstill. I do not believe that. It may be that we are at the beginning of a period of European hibernation, and that all the aspirations that my predecessors in this debate have talked about much more knowledgeably and eloquently than I shall be able to, all these aims may have to remain in the freezer for a while.

However, I suspect and hope that the Community is going through a chrysalis phase and that in a few years' time it will be possible for commentators to say that, in spite of the first signs, the effect of a British Labour Government on the crisis that the Community was already suffering when they came to power was not destructive but, with the brusque British *bonhomie* that Mr Callaghan has already demonstrated to his new partners, after a realignment of some of the more superficial characteristics of the Community, the chrysalis was split and the new Community could go forward strengthened.

I certainly did not come here today to criticize my own government. I do that at home. I assure the Presidents of the Council and the Commission that I ask my own government as many questions as I ask our institutions.

I wish to say here that if one stage in the chrysalis of the new Europe will be a referendum in my own country, I hope that people in Britain will be given a fair chance to choose with knowledge from the ways the future offers.

I am already beginning to doubt the will of the present British Government to explain fully the advantages of Community membership to the British people from their resistance when answering questions of mine at home about the effect of our membership of the Common Market on food prices, which are a burning concern to every family in every country.

When we have a referendum in my country, if we have one, there may be some people who will

Lord O'Hagan

suggest that somehow we can 'up anchor' in Britain, sail off to some distant island in a sunny clime, with lots of cheap and good food and presided over by the ghost of William Morris, and that everything will be all right. If such myths are not to be spread, they must be countered.

Part of the trouble in Britain is the inadequacy of the information spread about the effects of the Community. One of the worst offenders in this respect is the Commission.

We have talked today about tinkering around with the institutions, improving their working methods, and so on. All these things are important: certainly the Commission could do a better job in my own country when explaining what it has to offer to the people in Britain.

But we can never show what the Community could be or should be until the Community makes itself worth explaining. It is not the details of the administrative set-up inside the Commission that are wrong. It is the lack of political will and commitment in the Council that is the real cause of the Community's continuing blockage, and until the blockage is released we can never expect to show any honesty to people in the Member States who have doubts about their future inside the Community; we shall never be able to be convincing when looking hopefully ahead until the Council can show that it has the political will and political commitment to make the dreams of so many supporters of the Community come true. If they fail to do that—and they are well on the way to failing now—the prophets of isolationism, of backward-looking ideologies obsessed by national history, will win the day not only in my own country but gradually throughout the Community, so that it will become less and less a Community and more and more like a cesspit of selfish nationalism—a state towards which it is already moving far too quickly.

Mr President, if I came to your country to negotiate, I hope that one of the first things I did would be to examine every public statement and perhaps even, with luck, some private statements you had made, on the subjects about which I had come to negotiate, so that even if I did not sympathize with your point of view I should at least understand the workings of your mind and respect your sincerity even if I questioned your wisdom. To many of us who believe in the Community ideal it is sad that our Foreign Secretary, who has spoken movingly and repeatedly of how he felt the first time that French and German delegates to the Council of Europe sat down together after the war—he spoke about this recently in Parliament and said how much importance he attached to that event

—should have tried to combine that approach with a tone of dismissing mockery—or so it seems to anybody who believes in European union or some of the other concepts to which so many people on the Continent attach so much importance. It strikes me as a curious way to negotiate, to seem to impugn the sincerity of one's opponents.

I ask people here to accept that the manifesto readings and some of these apparently un-sympathetic attitudes of the British Government are really a reflection of a very difficult internal situation rather than an expression of what most of the people now in the British Government actually feel.

There is something else that I can say from this isolated position, having no constituents. I do not feel that I am any less British because I believe in Britain's future in the Community. Somehow there is a feeling in my country that to believe in a supranational Community implies a lack of respect for or belief in the future of Britain. This derives from the association of membership of the Community with the previous Conservative Government, who were far too keen not to explain their policies to the electorate—perhaps one of the reasons why they lost the last election; but, of course, I know nothing about elections.

If we are to show people in Europe as a whole, and my own country in particular, that there is not something deeply opposed to the interests of our own countries in belonging to the Community, we must present a constructive picture of what the Community is striving for. I do not believe that the Community wants to flatten us down to some homogeneous uniformity. I do not believe the Community wants to interfere in our private lives, to make us identical, to make us eat the same, look the same, dress the same and even talk the same. Yet, by some quirks and lunacies of harmonization policies, by the impression which the Community somehow puts about, there are many people who suspect that there is too much in the Community which tends in this direction.

It does not help those of us who are deeply in favour of the Community and of Britain's staying in if we have to combat the image of a Community that wants to level down rather than offer strength through variety. We need support in this direction.

I cannot offer the wide variety of cures and the deep analysis of some other speakers. I support what others have said about the essential need for strengthening the budgetary powers of this Parliament, and I hope that my country's representation will also be strengthened soon from the ranks of the Labour Party.

Lord O'Hagan

Much more important, however, is that we need direct elections if this Parliament is ever to become real. If that means I go—good! Until this Parliament is a democratic institution in the European context filled by people whose first job is to come here and speak on Commission proposals on behalf of those whom they represent, we shall never close the gap to which Mr Marras referred between the peoples of the Member States and the institutions of the Community.

Bigness is not better. The Community is not better for being large; indeed, it can be made smaller in effective terms by the direct election of people who will use the powers that this Parliament already has and those that are on the way to settle the worries that so many in the Member States have about the way the Community is going.

I appeal to my own government to reconsider their plan to postpone sending people here until renegotiation is completed. If Europe is good and we are going to stay in it, it must be made more democratic. If Europe is bad, representation here will help renegotiation. I hope that there will soon be more variety in the British delegation and that the British Government will thus contribute to democratizing the Community. If they require me to go, I will do so gladly, so long as I am given a job in the Council of Ministers answering my own questions.

(Smiles)

President. — I call Mr Nørgaard.

Mr Nørgaard. — *(DK)* Mr President, I should like to thank Mr Ortoli and the President of the Council for the answers they have given to the questions before us.

Even if it cannot be claimed that the answers were detailed, both Presidents clearly indicated that they are aware of the present critical state of the Community.

Mr Apel has described himself as being only half independent in his capacity as President-in-Office of the Council. During the past six months I was in the same situation and know how unsatisfactory it is to be in the position Mr Apel is now in, since one cannot express one's own feelings and views but must cover the views of all the Nine, and since they are rather divergent one cannot say very much. To be quite frank, Mr Apel did not say very much.

One of the shortcomings—and now that I am completely independent and can express my views without having to consider those of other countries, let alone of other governments, I

should like to mention it—one of the shortcomings of the present Community is, to my mind, the enormous gap between the actions of the Community and the fine words about its duties.

I don't think I am divulging too much when I say that when I was President of the Council not a single country at any time lived up to the ideals of supranationality or complete respect for the Community. All ministers, including ministers of countries whose heads of government talk a lot about supranationality, acted in an extremely nationalistic fashion.

I believe that the best that can be said of the Community is that egoistic national actions are taken with a bad conscience, because they are in conflict with the clear objectives set in the Treaty of Rome. I therefore feel that it is no solution to dissolve the Community since one can then act nationalistically with a good conscience. I would warn you against the rumours that are spreading about dissolving the Community because of its ineffectiveness, since I believe there is still a hope that we can act with greater solidarity, and it is our duty under the Treaty to act with solidarity.

Unfortunately, we are not yet living up to the present Treaty of Rome. There is still a tendency to act nationalistically, even in those areas for which there are contractual obligations in the Treaty of Rome. The very heart of the Treaty of Rome, the common market for agricultural and industrial products, is involved. The common market for agricultural and industrial products is on the point of being dissolved, to be split up into separate markets.

This is shown in the agricultural sector by the innumerable measures towards monetary harmonization because Member States have been unable to maintain common rates of exchange, and the fact that some countries have let their exchange rates float makes the situation even more complicated. Even maintenance of fixed exchange rates is not at present obligatory under the Treaty of Rome. A common market for agricultural products is obligatory, but there isn't one.

The bilateral agreements several of the Member States have concluded with Arab countries is also proof that the common market is being dissolved. Some of those agreements involve fixed amounts for fixed prices against deliveries of oil, and this means that the market in common industrial products and prices is being dissolved in the Community.

It therefore seems to me that we should concentrate on restoring the advantages and inno-

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vations of the Treaty of Rome itself, on putting new life into them, to use a term used by several speakers, and on consolidating what has already been agreed before we set ourselves too many grand objectives. It seems to me to be particularly dangerous to make empty promises, as some statesmen are wont to do on festive occasions or before national elections, for these fine words on the brotherhood of Europe are in sharp contrast to the agreements reached at daily meetings.

Another thing I think we should be able to agree upon in the Parliament, in the Council and in the Commission is to change the procedure so that we stop getting bogged down in details. One of the greatest failings of the Community is without doubt the enormous amount of time wasted on details by adults. I also think that that is why Parliament's members are not so interested as they should be. We in this Chamber are so used to discussing a mass of trivial details, and when important subjects come up for discussion we are so used to absenting ourselves, that today for example no more than one-fifth of the Members are present.

I know that there is a particular reason why some are in their own country today, but it seems to me that we bother with far too many details in the Commission and Council as well as in Parliament and therefore hold far too many meetings which call for lengthy attendance by too many people, and this means that at best they are present in body only—but it seems that Members of Parliament are not even present in body.

The British Labour Party's call for renegotiation should therefore be used by the Nine as a chance to give a new direction to the Community. I believe that the Labour Government's request for renegotiation gives the other eight countries an excellent opportunity for seriously discussing the future of the Community.

I agree completely with my colleague, Mr Felnermaier, that discussions with the British Government should take place within the framework of the Treaty, and it is also in that framework that we should work out a new approach by the present member countries. Once that is done, it will be much easier to achieve progress in areas for which the Commission has already put forward proposals. I, like so many other speakers, believe that it will become increasingly clear that there are many problems—such as multinational companies and the whole question of pollution control in industrialized countries—which can best be dealt with in collaboration with other countries and which the country concerned cannot solve alone. In

other words, there is no need to create large elegant supranational models to realize that the Community must continue to expand to cope with the requirements of development.

I therefore think it would be appropriate to take a more pragmatic look at these problems and their solution. I have noticed that Mr Ortoli also thinks that the Commission should prepare the programmes and find more practical solutions to the problems the individual states cannot cope with.

If we disregard the more dramatic coverage given to his statement, and if we disregard the fact that he referred to it as renegotiation. I cannot see that what I have said is very different from what the British Minister of Foreign Affairs said about the Labour Government's attitude to the EEC. His speech can in fact be interpreted as an invitation and a desire to make a thorough study of the subjects I have just mentioned. Such a study would have a good effect on the positive approach of the other eight Member countries to the future development of the Community.

In contrast to several speakers, I believe that it is precisely such practical, Community measures that will meet with the approval of young people and the working classes, rather than fine ideals.

(Applause)

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — *(D)* As I was listening to this interesting debate, I wondered, Mr President, what there remained for a convinced European to say. Because it seems to me that the situation in which our Europe now finds itself has been adequately analysed. The ruins of our shattered hopes, expectations and incomplete decisions are endless.

That is the background to this important debate. But I am glad to be speaking, as chance would have it, immediately after my colleague, Mr Nørgaard.

Mr Nørgaard, who also has experience as a minister in his national government, highlighted, with typically Danish pragmatism, in a difficult or even hopeless situation, a few points which I feel deserve further amplification from my own angle. Even if we are not official spokesmen for our groups, I should like to add a few words to what Mr Bertrand said on behalf of the Christian-Democratic Group.

It seems to me that the almost masochistic pleasure which was taken in recent years in an

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attempt to see just how far Europe could be strained must now be a thing of the past. A few years ago, a German Socialist said that we must try to find out what strain the economy could take. He and his friends probably regret having said that. But I believe the load placed on Europe has become ungovernable. The individual European governments are becoming increasingly aware of this.

Mr Kirk was surely right when he pointed out that the chaotic conditions in Europe, the lack of interest and understanding on the part of the European public which we are encountering more and more with each passing day already existed before the change of government in the United Kingdom and that the demand by the present British minority government to work out new possibilities within—as we hope—the framework of the treaties did not bring about the chaos.

But I should also like to say to my friend Mr Kirk that this decision by the present British Government, which is reportedly shared under certain circumstances by a majority of the British public—in other words, the negative attitude to a European community and in particular to a European political community—has added a quite new aspect and a new set of problems to the European situation.

Now I agree with Mr Nørgaard that something new may just possibly arise out of such a development.

There is likewise no doubt that the developments in France—the presidential elections which will be concluded in a few weeks' time—may change the political landscape and under certain circumstances the political leadership in France to a radical degree. In view of these two very important events, the subject raised by Mr Ortoli as the third point in his passionate and bold speech—for which I too would like to thank him—is of fundamental importance. It is the same subject which the President-in-Office of the Council of Ministers, Mr Apel, conveyed in his question: what Europe do we really want in Europe, in the Community, in the Member States of the Community? Mr President, this for me is the most important question of political principle confronting us at present in view of the developments I have outlined and the statements made by other colleagues. Until this question is fully debated in leading political circles in the Member States and a decision of principle taken, all other questions—I would almost go so far as to assert this—are of only secondary importance. And although it is sometimes difficult for me not only to agree in a public sitting that Mr Apel is

right but even to share his views, I must state quite openly on this occasion that he is right when he raises the question of an intergovernmental or supranational Europe. There are, of course, a number of possible variants, Mr Apel. We cannot want an intergovernmental system while at the same time demanding unlimited monetary support and a well-endowed regional fund. I said recently that we cannot have a European federal bank without a federation. Basically, this is the same problem. I believe the Member States realize that it is some of the countries which pay most to the Community which will and must raise this question. I assume that the Federal German Government will do so. It will be supported then by the opposition in the Bundestag. This question of principle must be solved. I wanted this to be said clearly here because Mr Nørgaard, if I understood him correctly, wanted this matter to be left on one side and felt it was a political question which would arise much later. Some other speakers in this debate said the same thing.

Having said that, Mr President, allow me to mention briefly three points which I believe can and must be worked on and which action must be taken this year quite apart from—or, better, in parallel with—the decision of principle to which I just referred. The first need—I stress Mr Ortoli's demands—is to strengthen the institutions and to utilize fully the instruments we have in the Community in the matters on which decisions have been pending for a long time and have recently become more pressing. But I would also add—and I am glad that one of our new young colleagues, Lord O'Hagan, has said this with such conviction—that Europe cannot develop further without an elected European Parliament.

That I believe is one of the essential observations we have made in our debate today and which must be put in the shape of strong demands to our governments and brought to the attention of the public at large. Democratic control of this gigantic machine in Brussels which is constantly growing—Parkinson is a mere apprentice in comparison—is an essential demand, a key to gaining or regaining the understanding, the hopes and aspirations of European youth as manifested twenty years ago when the Rome treaties were signed. Mr Bertrand also made this demand for an elected parliament with vastly increased powers and possibilities of control.

It may sound critical in face of the demands made by Mr Ortoli for the Commission as political demands, but I believe, Mr Ortoli, it might perhaps be better to place some limitations on

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what we and you and the Council are to undertake.

There are two points on which I am in complete agreement with Mr Bertrand and my other colleagues, namely, that the regional fund must now be brought into being and that a common energy policy must be worked out. For many years I have maintained in other European bodies, and still maintain today, that Europe cannot become a reality without a workable and well-endowed regional fund; neither economic and monetary union nor any other organization can function unless this fund is set up now. The European public wishes to participate in the development of Europe, and does not wish to have decrees handed down from a central bureaucracy. That is the political background to the regional fund and its significance for Community policy. I can only hope that the German Government, which is particularly closely involved in this matter, will force its views through and play the card it has in its hand.

The last point I wish to mention, Mr President, is the following. The scourge of inflation, to which previous speakers have referred, under which all our countries have suffered to varying degrees in recent years and which is driving many millions of workers in our country almost to despair, is—like the economic and conjunctural policy on which we cannot reach agreement—a problem to which a common solution can only be found if we are clear about the political road Europe is to take.

Let me now just raise one further matter which has not been referred to in this debate except by Lord Gladwyn: the question of European security and defence policy, and hence our relationship with the United States of America. I do not wish to examine the external relations of the Community now, Mr President; I shall simply say that we have here the fundamental issue of whether this Europe is to be built with or without the United States. This question must already stand high on the list of priorities for political decisions by the governments of the Member States.

These few but singularly important and fundamental decisions now seem to me to be of pressing importance for our governments, for the Council of Ministers and for the Commission. If this debate has made clear to the public and hence to the governments where we see the important issues to lie which might bring us back to the path towards a Community Europe, we in this Parliament have reason to congratulate ourselves, Mr President.

Thank you.

(Applause)

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

Mr Patijn. — (NL) Mr President, after the observations made by my friends Mr Fellermaier and Mr Nørgaard, it remains for me only to look at one point in some detail. This is the British Government's request to open negotiations in the Council on a number of matters.

I shall state immediately that I agree with Mr Kirk's remarks. The British Labour Government has not caused the crisis in Europe. It certainly cannot be accused of being responsible for the fact that the Council takes its decisions unanimously. The Council has done so since 1958, and this procedure was confirmed once more in Luxembourg in 1966. If Mr Wilson wishes to negotiate, a number of matters will be raised on which we agree with the British Government.

What is at issue now? Since the creation of the Community a number of tasks have been completed, such as the establishment of the customs union and the definition of a common agricultural policy. But this was merely the easiest part of our work. Now that we are on the eve of making provision for the necessary social policy, industrial policy, control of economic power and genuine democratic control in many different sectors, we are embarking on our really difficult tasks. Parliament should take note of this. We should note that the matters I have just mentioned are not subjects on which we all have the same views as Europeans. We must decide what kind of Europe we want and will try to bring about from our own national viewpoints. We are sitting in this House not because we are all federalists but because we are also socialists, or liberals, and so on, and because we wish to achieve something which accords with our political vision. The policy lines we now lay down must bear the stamp of our political vision. The achievements based on the treaties and the direction chosen must not be accepted as immutable. European policy is constantly changing; here we can make a contribution by showing the direction it should take—according to our political preferences.

I should like to quote the following example. I read an interview with Helmut Schmidt in the *New York Herald Tribune* of 10 March, and if I had not known that the words were spoken by Helmut Schmidt I could equally well have attributed them to Jim Callaghan. It is always the same criticism that is levelled at the Community because of the changes it must now undergo. Mr Schmidt points out that the agricultural policy is not immutable. He hopes it will be cast in a different mould during the negotiations with the British.

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In our efforts to achieve the aims which we as Socialists have for Europe, the Labour Government is our ally. This means that during the difficult months which lie ahead of the Community we must try to solve the British Government's problems. It is apparent to everyone that the British economy is not the strongest in the Community. This economic fact had to be faced by the British Government when it came to power at the end of February.

The treaty signed in 1958 contains a great many safeguard clauses. We have not needed to invoke them because the economic situation was such that economic development went ahead without using these clauses.

Now the term 'renegotiation' is being used. I find the expression inapt. If we are being asked to make a number of changes to the treaties—which we Socialists would also like—I do not find that strange, and I fail to understand why so much fuss is being made. Of course we should also like to put certain questions to the Labour Government, and we await with keen interest the proposals it will be putting to the Council in June. There are, of course, some aspects which we find very difficult to understand. One of these is the fact that at present there is no Labour delegation to the European Parliament.

It is strange to note that while ministers and officials at all levels are still taking part in the circus at Brussels and Luxembourg, the House of Europe in Strasbourg should be ostracized. We are not suffering from the plague or some other terrible sickness, that this building should be thus avoided.

We would ask the Labour Government to remedy this state of affairs at the earliest possible opportunity.

Now for my conclusion.

The Labour Government is asking for a number of things in a situation which is in any case fluid. The Community's policy has not developed far enough as yet. We are still in the early stages, although it is true that there are a number of basic principles and points of departure.

In the light of this further development we shall have to look at the points which Labour have raised. We must try with them to overcome our difficulties in an effort to solve the general crisis looming over our Community.

(Applause)

President. — I call Sir John Peel.

Sir John Peel. — It is very right and proper that we should be having this debate at this time, because, in the present state of disarray not only in Western Europe but in the Western world as a whole, I think it is more essential than it has possibly ever been to try to look at our situation as clearly, honestly and fearlessly as we can.

In view of what has happened in the past year, I do not see how any of us in this House can honestly deny the utter political feebleness and ineffectiveness of our Community or of our defence weakness without massive American help.

There seem to be a good many people in the Community who do not want effective political unity, or at least not in the foreseeable future, though I do not believe that one can even have real economic unity without political unity. However, what seems to be absolutely certain is that the Community can have very little influence on critical and major world events without that unity.

Some may argue that we may eventually achieve it, but when, and how long have we got? Certainly the present scene is hardly reassuring. Communist Russia must be very satisfied at the moment with the position that she has done a good deal to create. Personally I have never felt it necessary to apologize for raising political and related defence matters in this House and I do not now, since in both those spheres, as well as the economic one, our relations with America are interconnected and vitally important.

These relations at the moment leave a great deal to be desired, to put it mildly. If we do not soon take both an effective step towards real political union and more united security measures, we may well find that our American allies in their utter frustration and annoyance will deal more and more over our heads with the other superpowers and leave us to stew in our own diluted economic juice. Those who think that the Americans dare not do this are blinded by their own logic and overlook ordinary human reactions—and the Americans are just as human as we are.

In my view, sooner rather than later, the Community must embrace both political unity and defence unity on a supra-national and not an inter-governmental basis.

Those who seem to think this unnecessary suggest other ways of dealing with our problems. Our French colleagues, for example, seem to think that Western European Union after 20 years of a life which has not by any means fulfilled the high hopes of its originators could

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now become the instrument of European defence and foreign relations, though they make no specific proposals as to how this might be effectively done. It no doubt could be done.

The modified Treaty of Brussels is a very good treaty, better and stronger in some respects than the North Atlantic Alliance, provided, of course, that it was properly geared to the machinery of the North Atlantic Alliance. However, once again it would require adequate political machinery to accomplish the process successfully and there has been no sign of this in its 20 years of life.

Moreover, since the enlargement of our Community and the creation of the Davignon machinery—and nobody pretends that Davignon is being particularly successful—the Council of Ministers of Western European Union have met even more infrequently than ever before. Therefore, that one looks like a non-starter.

We also have the Council of Europe. It still has a useful part to play though, perhaps, rather less than before the Community was enlarged. The Assembly of the Council of Europe is a useful forum for the exchange of views and debates between the members of our Community and those in Europe outside it.

I warmly support the words of the President of the Commission when he said that it was action and not words that we now required. We have had more than enough of excellent reports, and many millions of words have flowed from these other organizations. If they had enabled us to obtain a more satisfactory position today, I have no doubt we should never have had to create the Community. But the fact of the matter is that they were of very restricted utility, which is why we have had to create the Community.

Most of us know quite well what we ought to do, but we are held back by so many who bleat so pathetically about each one of us retaining our own petty little sovereignties. What many of our people seem to be failing to ask themselves is how effective that individual sovereignty is in the harsh super-power world of today in preserving their freedom, their standards of living and their way of life. I think we must come out with the answer: 'Increasingly less.'

Finally, it is this heart and centre of Christendom and European culture that has precipitated one of the most tumultuous and cataclysmic centuries in human history, if not *the* most. It is our divisions that have ripped the world apart twice in half a century. It will indeed be a terrible criticism by our successors and our heirs,

if we cannot find the answers to our self-created problems because we have not the courage to be bold.

President. — I call Mr Maigaard.

Mr Maigaard. — (DK) Mr President, I should like to thank Mr Ortoli, President of the Commission and Mr Apel, President-in-Office of the Council, and to say a few words.

I agree with the views expressed by Mr Marras, the spokesman for my group, when he stressed the inability of the Community to come into contact with the general public, but I should like to give the views of Denmark and the Socialist People's Party.

I think it is reasonable to choose the present Community crisis as the starting point. The crisis has been felt in many areas. The exchange situation has been critical for almost a year. The energy situation is another example. A crisis has arisen in relations with the USA. The Community's inability to take decisions has aggravated the crisis, and the attitude of the British Government as presented by the Minister of Foreign Affairs, Mr Callaghan, has helped to create the impression that there is a crisis.

If I can agree with Mr Kirk on nothing else, I must agree with him that it is not the British request for renegotiation which has brought about the crisis. The request for renegotiation has aggravated the situation, but it did not cause the crisis.

In this situation, I think it is only right to focus attention on three aspects of the work of the Community, and so I should like to make a few comments: firstly, on the so-called main objectives the Community has set itself; secondly, on supranational collaboration as opposed to intergovernmental collaboration; and thirdly, on harmonization in the Community.

The debate today has to a large extent been concerned with the British request for renegotiation, and I should like to digress somewhat and leave some comments to colleagues who have given some consideration to the problem.

First of all, some remarks on the Community's so-called main objectives. It has been difficult—for public opinion in Denmark too—to understand these so-called main objectives, which, to many people, are neither desirable nor realistic. I should like to emphasize both aspects. They may be desirable, they may be undesirable, but they are certainly not realistic. There is a place for realism. As regards these so-called main objectives, I should like to draw attention to the plans for economic and monetary union in

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1980 and for a European Union in 1980. I think that the British Minister of Foreign Affairs described them exactly in his speech in the Council of Ministers on 1 April, when he talked of the plans for economic and monetary union—and James Callaghan made express reference to the March 1971 decisions—when he said, and I quote, that they were ‘dangerously over-ambitious’. I think that is an excellent description, and I am in complete agreement: they *are* dangerously over-ambitious.

On the subject of the integration of the countries of Europe into a European Union in 1980, he used the phrase ‘it is quite unrealistic’. I am quoting Callaghan. I think that is quite true, and I believe that we should bear in mind that if the Communities are to overcome the present crisis, we should give up the idea of economic and monetary union in 1980 and European Union in the same year.

I have mentioned Mr Callaghan, and now I should like to digress somewhat. Many people, including Mr Fellermaier and Mr Kirk, have dwelt on the current situation.

First, a few words to Mr Fellermaier.

Mr Fellermaier said that he was in favour of negotiations under the Treaty, but that he was not in favour of renegotiating. It was just as if the only alternatives were: yes to negotiations under the Treaty, but no to renegotiation.

It seems to me that Mr Fellermaier’s point of view is very formalistic and unsuitable as a realistic basis for any political discussion of the present situation. I think it is formalistic because Denmark’s accession to the Communities was based on both the Treaty of Rome and the Luxembourg agreement. The Luxembourg agreement was without doubt an incentive to Denmark’s accession, but it must be said that that point of view is not formally correct, since the two treaties, the Treaty of Rome and the Luxembourg agreement, are not entirely similar. But it is nevertheless a reality, and so I think Mr Fellermaier should be told that his point of view is very formalistic and that it would be better to be realistic and accept the example of realism shown by Denmark’s accession, which will be shown in connection with the United Kingdom. That is my feeling, especially as James Callaghan, when speaking in the Council of Ministers on 1 April, expressly reserved the right to call for amendments to the Treaty of Rome. I think it is important to bear that in mind.

Mr Kirk has tried to explain Labour’s point of view. I think we should stick to what the Labour party itself said if we want to understand it. We must not accept the Conservative interpretation. Here, as in other situations in life, we should

stick to the genuine article, in this case James Callaghan. In point 15 of his speech he said—and here I quote:

‘I must also reserve the right to propose changes in the Treaties, if we find that in practice the existing rules, as they are interpreted, interfere with the powers over the British economy which we need to pursue effective regional, industrial and fiscal policies.’

I stress that the British Government does not say that it contests the validity of the Treaties. It expressly reserves the right to request renegotiation of the Treaties.

For this very reason I think we should adopt a sympathetic attitude to the Labour Party and its request for renegotiation.

But to get back to the main objectives the Communities have set. I conclude that there can be agreement on the desirability of both economic and monetary union and a European Union in 1980. There is, however, still a large degree of disagreement on the subject and many points of view. But I do not think there can or should be any doubt that a European Union and economic and monetary union, as laid down in the resolutions of September 1971 and the resolution of the 1972 Summit Conference, are unrealistic. They may be desirable to some. But not to me. It is in any case unrealistic to think that they can be achieved. In my opinion, we must be realistic before we can cooperate effectively at the international level.

My next point is the form of collaboration, intergovernmental or supranational, as mentioned by Mr Apel in his speech. Since the war, there have been lengthy discussions on the type of collaboration we should opt for, supranational or intergovernmental. The fathers of the Treaty of Rome chose supranational collaboration, because it was effective and would produce results. That was their impression. They thought that intergovernmental collaboration was too restrictive and produced too few practical results. It is for that reason that the Treaty of Rome was drawn up as it was and that the Community was created as it was. Experience now shows that supranational collaboration is not the best way of achieving practical results. Today, we have practical experience and we are in a position to arrive at a conclusion after 20 years’ discussion of international collaboration. We can now say: we have tried supranational collaboration and it does not give practical results. That must be the conclusion we arrive at in our present situation.

I noted Mr Apel’s words on supranational collaboration. He said—and it was interesting to hear it from a member of the German Govern-

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ment—that those who will not collaborate at supranational level cannot depend on regional aid or financial aid. That was the remark made by the President-in-Office of the Council, a representative of the Federal Government. The answer to that is that we must manage without aid. We should also point out, as Mr Nørgaard did—and it gave me food for thought—that during his, Mr Nørgaard's, Presidency there was no government, Mr Apel, which was in practice willing to live up to all that supranational talk.

Finally, I should like to make a few remarks on harmonization.

We in the Communities have experienced and are still experiencing exaggerated attempts to achieve harmonization and to lay down the conditions for political life and social conditions in great detail—and here I repeat Mr Nørgaard's—in my opinion—excellent comment, that we are drowning in details. The argument is well known. It has already been stated. In my opinion, it would be wise to abandon the idea that you can't blow your nose unless the procedure has been harmonized.

In conclusion, if we try to assess the state of the Communities today, we get a picture of a community which is in the process of developing—in brief, an EEC with a sort of EFTA status.

I think it would be useful for a realistic discussion of the forms of collaboration between the countries of Europe to be based on that fact.

IN THE CHAIR: MR BERKHOUWER*President*

President. — Lord Reay, you have the floor.

Lord Reay. — During all last year in the Community there was a gap, at the level of national governments, between statement and action. Ministers and heads of State continued to make declarations ever more firm and ever more loyal to the idea of European political integration, while their actions failed to correspond to the determination which they announced in these declarations.

For three-quarters of the year this simply looked like postponement. At that time, perhaps, we could be a little impatient, but we were reassured that the deadlines for action on this matter were set for the end of the year, that we should wait, and that all would be done on time. Then, in October and November of last year, external events for the first time made a serious demand on Community solidarity, and Europe began to

pay the price for its lack of achievement. Since then, lack of achievement has no longer looked simply like postponement; it has begun to acquire a dynamic negative force of its own.

Today, the pressure of events seems more likely to divide the Community than to unite it. Recently there has been a tendency in some quarters to bring declarations down closer to the level of action—or inaction—instead of raising the level of achievement to fit the resonant objectives of the Paris summit, which were so often repeated afterwards.

That is also dangerously divisive. It is a tragedy that in a time when nothing has occurred to disprove, and everything has occurred to prove, the need for European unity, when everywhere else new patterns of international co-operation are being created and are changing the world, when everyone has come to recognize the new interdependence of the different parts of the world and the corresponding need to build up a new structure of world co-operation, Europe, which has produced one of the most creative civilizations in history, should appear so paralysed by its history and traditional ways of thought that it risks becoming one of the least creative continents in the world. It is a tragedy that it should appear capable of contributing so little, because of its own divisions, to the vast work of construction that is necessary at the international level if our civilizations are to survive.

Where else in the world would we tolerate the sight of a continent—not to say a continent so capable of making a positive contribution in the world as our own—in such a static condition, so fragmented by conflicts of national interest and feeling, so devoid of a real intention to unite, as we see Europe to be today? Why should we permit, and why should some of us even welcome—not many in this place, but certainly some outside—a situation among ourselves which we should deplore if we observed it anywhere else?

With no other group of countries is the danger of standing alone and the common interest in solidarity in present world conditions more obvious than it is with the Member States of this Community. Their relatively high level of prosperity, and the sophisticated manufacturing capacity on which this prosperity is founded, is entirely dependent on the strength of foreign markets, on continuity in the supply of raw materials which they substantially do not possess themselves, and on a stable and controlled international monetary system. To secure these conditions a new system of world co-operation is required. But that system will not grow

Lord Reay

spontaneously or thanks to the efforts of others alone. To achieve such a system our co-operation is necessary, and to provide that co-operation we need to unite.

Similarly, it is impossible for any individual European country to act on the assumption that it has enough of this or that asset or natural resource for it to survive on its own. Even the United States, which is better provided than the whole of Europe with natural resources, no longer acts on this assumption. Yesterday's crisis may have affected one country less severely than another; but what of tomorrow's? How can any country be sure, just because it survived the last crisis the best, that it will not be the one to be most seriously affected by the next? Surely, again, it is by combining our resources, the financial or the manufacturing strength of one country, the food-growing capacity of another and the energy supplies of another, that we can achieve greater security. What advantages can there possibly be for any Member State in leaving the Community, or preferring a community which was not developed beyond a point of minimal co-operation? I have not heard of one single advantage, and I am still waiting to hear what they are.

We in the Conservative Group are proud to be members of the Community and of this Parliament, the development of whose powers provides the only possibility of establishing democracy as a European principle. We should also be proud of the treaty which we negotiated with the Community of the Six. For my country that treaty represented final success after 10 laborious and often disappointing years of national effort, and we would repudiate the views of any who seemed prepared to despise it and to treat in a light and casual manner the principle of respect for treaties contracted by the nation. The accession of the United Kingdom to the Community gave Britain once again a rôle in the world, and Britain has always wanted a rôle in the world. There is a distinction between being a member of the Community *tout court* and being a member of the Community with the intention of advancing that Community into a fully integrated political union. There is nothing to be won, I suggest, and there is everything to be lost, by refusing to recognize the political goal of the Community, or by failing to perceive the urgency of reaching this goal as quickly as it can be done. Each month, each week, this produces new factors which will contribute remorselessly to the disintegration of the Community unless the will for unity is revived. That will must be strengthened. It has been weakened. I fail to see how future generations will be able to understand, still less to forgive, the statesmen of our age if these statesmen are not able now

to perceive that their principal and most urgent responsibility is to build up the unity of Europe as the first step towards a new structure of international co-operation.

(Applause)

President. — I call Mr Apel.

Mr Apel, President-in-Office of the Council of the European Communities. — (D) Mr President, I had been taking notes betweenwhiles on how many of the speakers in the debate were still present, and had already begun to look forward to the pleasure of being able to tell this House that out of fifteen speakers only two were still present. In the meantime, this joke has unfortunately been entirely spoilt for me. I have to testify to you that they are all present now and to that extent it is reasonable briefly to state my attitude on six points.

Firstly, I believe we should be grateful to Mr Bertrand for his highly dynamic and energetic speech. Unfortunately, his effort was rather like that of a vicar in church on Sunday: He spent most of his time cursing people who were not there. But we are in broad agreement with him; although we are all sinners together, I am convinced that we, the little sinners, can only be sinners at all because others set us the example of their great sins. If the European spirit were present everywhere we should make a breakthrough on all fronts.

Secondly, Mr Fellermaier and others have complained that there are too many officials involved in the Council of Ministers and too many partial debates. I am not sure that this criticism is appropriate. The officials do not prevent us from making progress; the politicians are at fault. We politicians are our own worst enemy. That brings me back to my earlier argument that the lack of political resolve is the decisive factor—not the form of organization of the Council.

Thirdly, it was said that the Commission must be ready to adopt a policy of confrontation if the need arose and not be content with compromises designed to make decisions possible in the Council of Ministers. I consider this a fundamental misinterpretation of our common aims. The Commission's task is not to seek confrontation. That is all too easy to achieve. It may be amusing but it also spells the end of Europe. The Commission's role is to make the Council ponder on compromise proposals so that the Council can never escape its responsibility. If a compliment may be paid to this Commission it is surely that it has always made it very difficult for the Council to wriggle out. If the Council has still managed to do so the reasons lie elsewhere.

Apel

Fourthly, Mr Kirk—and I must congratulate him on his speech, which was very good and a model of how national partners should be treated in this Parliament—objected to package deals. I am not sure that I can agree with you, Mr Kirk. Mr Blumenfeld gave an example of the form a package deal might take. I maintain that progress can only be made through package deals. If the regional fund is discussed in isolation there will be no regional fund. That is my forecast, not because I do not want a regional fund but because that is how things are. Europe must move ahead as a whole.

Mr Nørgaard spoke of the gap between words and deeds. I believe that phrase lies behind us. We no longer speak in fine phrases; we are all deeply disturbed and deeply worried, and we are afraid for Europe's future. In this situation a new prospect may open for Europe. I do not agree with you that supranationality has proved inadequate. That is, of course, how you would like it to be. But I am convinced that only supranationality can lead us out of our difficulties.

Without supranationality we should have had no binding commitments, ladies and gentlemen. The common agricultural policy, the customs union, the freedom of movement of workers and many other things besides would all long since be dead. Let us not pretend: if all these things could just be abandoned by the Member States when faced with a difficult situation, they would surely do that. Only by transferring certain powers from the individual states to Europe can we free them from the temptation to take short-sighted national action which might meet with the temporary approval of the electorate. Only supranationality removes this possibility from us—and we are all still national politicians.

I find this debate pleasing. The striking feature has been its directness. That is the only way to make progress. I believe a great majority of the members of this House will agree with the speaker who said that we all have no alternative to an integrated Europe. And if that is so we shall surely still have sufficient understanding to build this Europe in the interests of our citizens—in other words, also in the interests of the representatives assembled here.

Thank you very much.

President. — I call Mr Ortoli.

Mr Ortoli, President of the Commission of the European Communities. — (F) Mr President, I too, have little to add, and less still after having heard Mr Apel reviewing the reasons which enable both of us to agree with most of the

preceding speakers. I shall therefore confine myself to a few words on a very small number of points.

The Commission has been discussed. Demands have been made that it should be less complex in its proposals. It has been asked to make itself clear.

I shall be very frank. It is my feeling that we have fulfilled our task and that we have never failed to be clear, or courageous. I would ask you to read once again our proposals over the last year.

We have not looked for compromise, and if we had, let me tell you that we have not found it.

At the time of the monetary crisis we proposed an immense effort of solidarity; we were not heeded. We suggested that we try to obtain greater solidarity in monetary matters by pooling our reserves; we did not manage that. We put forward a proposal for a regional fund, which, it must be admitted, was not a great success. But surely we do not deserve criticism for having tried to reach minor solutions at all costs in order to achieve a compromise.

Perhaps, if anything, we were a little too ambitious. Personally, I do not regret this, because I believe that one of our functions is to be explicit and—let me say—to be bold. This, I think, we have been in these recent months when we said plainly what we thought of the situation.

I would ask you to read again what we wrote on 31 January. That had to be said! If you will forgive me for saying so, we have not spared anyone of those who have a responsibility towards Europe. We never ceased to point to where the heart of the crisis lay.

My second point: we did not wait for the Government in Great Britain to change before saying that there was a crisis. The change of the British Government is no alibi for us. Potentially the crisis was there before, and there came a point when it became real. But I would ask our British friends now, I would ask the British Government, to realize, as we all realize, that in a situation such as we are now facing their own heartsearchings should not impede the Community's progress.

I believe it is my duty to say this. Much has been said here about British problems, and often said well. But what we cannot accept is that the problems posed by the British questioning should become—not an excuse for past history, for which we take joint responsibility—but a pretext for doing nothing in the immediate future.

Ortoli

This is one of the reasons why, together with Mr Scheel, we have tried to formulate a simple programme which, if it can be accomplished, will enable us to show that the Community is going forward.

My third comment concerns the point raised by several speakers. We have been told: you of the Commission should make a better job of information! Well, my friends, I can tell you that we are trying to give better information and that in this very Parliament you and we have been saying a number of things month after month which ought to be taken up and explained more fully to public opinion. We have both stated, over and over again and as clearly as one can, what I call the European necessity. You cannot tell me that we have not proclaimed things which everyone in our own countries ought to understand.

First, we are engaged in a bargaining process in which our worth will be only that of Europe as a whole and not of the individual states. This we have tried to explain in clear language. But we need support in this task, and it is important that the governments should say it too. I refuse to be told that the Commission, or others here, have not done their part and have not stated the obvious fact that one of Europe's strengths is its value as an entity.

Secondly, it is important to say how much Europe needs the kind of solidarity which will enable it to solve the great problems it is facing, such as those of the regions and the monetary problem. Europe has its common problems, which can be solved through European solidarity. If the states disagree among themselves, that Europe will cease to exist.

I think that on that point we have made our position perfectly clear. And I would ask that this, too, is explained to all, to the givers and the recipients, that since we need Europe we have to accept the notion that Europe transcends state frontiers.

Thirdly, another idea we are trying to explain is the strength we derive from Europe to attain our great social goals. We represent a particular civilization which today has to try and understand the great changes with which it is faced, changes common to us all. And we are lucky in being able to focus on this social aspect—which is the only important aspect—of our common aim. In pursuing these goals together we achieve a common strength that none of our countries could separately attain.

A number of things have been thus said here in a general way. As for details, let us repeat once again that we need, and you—the British

—need, this great market which is based on progress and growth, which is outward-looking and thanks to which both you and we shall be able to go forward the way we both need to go, that is, in the direction of growth which will enable us to attain our basic social objectives. But this way—and we have always said so—is by no means incompatible with being open to the outside world.

The true characteristic of this Europe which people try, wrongly, to present as a closed world, lies, on the contrary, in the fact that it is moved by a dynamic will that inevitably turns it towards the outside world.

Because it must also be made clear that we, the old Six, are not six countries which have tried to remain inward-looking and fear the open sea. On the contrary, what membership of the Community has given a number of us—and, if I may say so, particularly given my country—is a much greater degree of access to the external world.

Let us, then, try to see what are the great goals of Europe and let us proclaim them!

But how can we do this if the entire business of explaining what Europe is about is to boil down to saying: 'These are our problems and these are the interests we must defend' instead of saying: 'This is what we have to do together and this is why we have to do it together'.

It is my belief that the need for Europe and Europe's interests must be explained before we go on to explain the interests of each of its constituent countries. We are not bargaining with each other, we are building together a Community structure.

This is what I wanted to say very simply in answer to those of you who have spoken of the need for information.

It is true that we are not doing the job very well, but we might as well admit that in the Community we often prefer the things that are going badly to those that are going well! We often prefer to agree on the difficulties facing us than to spell out our own obligations. Well, it is as much your duty as ours to state what these basic obligations are. I do not believe there is a single voice, whether it be of the Commission or of the Council, but I do think that there can be millions of voices rising to state clearly where it is that the interest of our people lies. And this is a demonstration that we ought to perform.

It is time to pass on to action. I, too, would like us to give up the great debates. Together with Mr Scheel we have proposed a simple pro-

Ortoli

gramme. Mr Blumenfeld has suggested that we have been somewhat too ambitious in certain respects. I do not think so, because we have, in fact, chosen only three or four fundamental points: first, the economic and monetary union which we dare not abandon if we are not to find ourselves at loggerheads; next, energy policy and regional policy; and finally, the strengthening of our institutions.

We have not been over-ambitious in our proposals. I think we have been realistic; I hope we shall be effective. But, at any rate, I believe we have managed to avoid the trap of 'retreating forward', that is to say, of grandiose words and no action, which is what I sometimes most fear for our Europe. This is what I wanted to emphasize for my part.

As far as we are concerned, we shall go on being explicit and, I trust, bold when it comes to defending what seems to us to be of paramount importance.

The duty we owe to ourselves is to explain that Europe is needed. When that is understood, then we shall be able to achieve things which today seem to us to be overwhelming and which. I can tell you, if the power of decision rested with me, would in many cases be settled in a few minutes and without great agonizing, because very often the common interests seems to me so clear that the opposition of individual states appears to be based on derisory or baseless arguments.

(Applause)

President. — I call Mr Giraudo.

Mr Giraudo, Chairman of the Political Affairs Committee. — *(I)* Mr President, as the author of the question, I think I should express my appreciation, at the close of this debate, to President Apel and President Ortoli for their valuable contributions to our discussion. I should also like to extend this expression of gratitude to all my colleagues in the various political groups.

The Political Affairs Committee reserves the right to take account of all the indications which have emerged during our discussion for the preparation of a document, which would, of course, be drawn up in consultation with all the political groups and then submitted to Parliament when it is felt appropriate for this debate to be resumed.

President. — Does any one else wish to speak?

The debate on Oral Questions Doc. Nos 58/74, 8/74 and 9/74 is closed.

6. *Tabling and adoption of a motion for a resolution*

President. — I have received a motion for a resolution on the strengthening of relations between the European Parliament and the Canadian Federal Parliament (Doc. 60/74) submitted by Mr Lücker, chairman of the Christian-Democratic Group, Mr Fellermaier, vice-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 European Progressive Democrats, Mr Amendola, chairman of the Communist and Allies Group, Mr Behrendt, Mr Giraudo, Mr de la Malène and Mr Sandri, with request that it be dealt with by urgent procedure pursuant to Rule 14 of the Rules of Procedure. I therefore consult Parliament on the adoption of urgent procedure.

Are there any objections?

The adoption of urgent procedure is agreed.

We may proceed immediately to the consideration of this motion for a resolution.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

7. *Tabling of a motion for a resolution and reference to committee*

President. — I have received a motion for a resolution on the animal production situation (Doc. 65/74) submitted by Mr Vetrone, Mr Ligios, Mr Houdet, Mr Vernaschi, Mr Rosati, Mr Durieux, Mr Durand, Mr Pisoni, Mr Bersani, Mr Girardin, Mr Brugger, Mr Noè, Mr Galli and Mr Giraudo, with request that it be dealt with by urgent procedure pursuant to Rule 14 of the Rules of Procedure.

I consult Parliament on the adoption of urgent procedure.

I call Mr Vetrone.

Mr Vetrone. — *(I)* Mr President, ladies and gentlemen, I request the adoption of urgent procedure because the present situation of the market for meat in all the Community countries requires urgent measures on the part of the Commission.

The main aim of the motion for a resolution is to invite the Commission, which we know

¹ OJ No C 55, 13. 5. 1974.

Vetrone

is already looking into this situation, to accelerate its decisions, which are awaited not only in Italy but also in other Community countries. I say 'not only in Italy' because in our country there have recently been uncontrollable protest demonstrations which may further aggravate and embitter the atmosphere in the Community.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I can understand Mr Vetrone's anxiety, but we covered a fair amount of this ground at Question Time and he and other Members will be able to raise whatever points are still outstanding during the two debates which will follow the sugar debate this evening. There is no need for an urgent debate when, within two or three hours, we can be discussing the very matters which are causing such anxiety. So I beg to oppose this motion.

President. — I note that Mr Scott-Hopkins is opposed to the adoption of urgent procedure.

Under these circumstances and unless the House votes to the contrary, the motion for a resolution will be referred to the Committee on Agriculture.

I put to the vote the request for adoption of urgent procedure.

The adoption of urgent procedure is rejected.

Pursuant to Rule 25 of the Rules of Procedure, the motion for a resolution is referred to the Committee on Agriculture.

8. Order of Business

President. — Mr de la Malène has requested on behalf of the Group of European Progressive Democrats that the report by Mr Laudrin on the 40-hour working week be placed as the first item on the agenda for tomorrow.

Since the beginning of this part-session, I have received protests from several quarters—more particularly, from the news media—concerning modifications of the agenda.

I understand Mr Laudrin's reasons, but I think we must observe the decisions laid down at the beginning of the part-session.

I put Mr de la Malène's proposal to the vote.

The proposal is rejected.

The proceedings of this sitting have taken a little longer than expected, and it might be advisable to suspend the proceedings now and resume them at 9 p.m.

I call Mr Scott-Hopkins to speak on this proposal.

Mr Scott-Hopkins. — I propose to the House that we adjourn now and come back at nine o'clock to resume our agenda, and finish it this evening. I think there are four items. There are the two questions of fisheries, sugar, and a general short agricultural debate. I should have thought it would last two or three hours. It would be better for us to take these items tomorrow morning, but that is impracticable. I therefore propose that we adjourn now and return at nine o'clock.

President. — Mr Scott-Hopkins is in favour of suspending the proceedings until 9 p.m.

I call Mr Vetrone.

Mr Vetrone. — (I) I oppose the suspension.

President. — I put to the vote the proposal to suspend the proceedings until 9 p.m.

The proposal is adopted.

The proceedings are therefore suspended until 9 p.m.

The House will rise.

(The sitting was suspended at 7.35 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MR DALSAGER

Vice-President

President. — The sitting is resumed.

9. Regulation on aid for sea fishing

President. — The next item on the agenda is debate on the report drawn up Mr John Hill on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation laying down conditions for granting national aid under the common structural policy for sea fishing (Doc. 33/74).

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

Mr John Hill, rapporteur. — At long last we come to the fishery part of today's proceedings. The Commission's proposals in Doc. 242/73 have the limited aim of establishing ceilings on national aid and the subsidies that may be given

John Hill

for specified purposes to help the sea fishing industry. They implement paragraph 2 of Article 9 of the Common Market fishing regulation passed as long ago as 20 October 1970. However, there has been a delay of nearly three years in bringing them forward, to enable the three new Member States to share in the policy discussions leading to the proposed regulations.

The proposals are not to make any grants from Community funds. There are therefore no budgetary implications. They are concerned to restrain national support measures so that these, while safeguarding the living standards of the fishing population and ensuring a supply of fish for human and industrial animal consumption, do not distort competition.

It is not quite the same thing as saying that we are harmonizing the aids, because there is no obligation on any Member State to provide any, much less maximum, support within the limits proposed. The proposals come forward against a background in which several important considerations figure. The first is the increasing consumption of, and demand for, fish as a high protein food at a time when a shortage of animal protein has been made apparent by the sharp rise in world food prices. Then there is the diminished self-sufficiency of the Community itself, stemming from rising standards of living and increasing numbers, the danger of overfishing in the world and a great need for effective measures to conserve fish stocks. Finally, there is the widely-expressed desire for more progress towards a true common structural policy for the Community fishing industry as a whole.

The fulfilment of that desire is, of course, in turn largely dependent on the outcome of the forthcoming Conference on the Law of the Sea. I have only to mention the vexed question of fishing limits to show at a glance how difficult it is in the absence of international agreement to formulate the Community longer-term policy that we should like.

Lastly, in the foreground, there is the effect of the oil crisis, the sudden unprecedented increase in the fuel element of operating costs, which, certainly in the United Kingdom, are said to have gone up to 20 per cent of the total—about three times the proportion of 1972-73.

We heard this morning from the Commissioner of the serious distortions in competition that are likely to be caused by the uncoordinated national oil subsidies at present being made to the fishery industry in some member countries. Clearly there is an urgent need to harmonize these, since a free-for-all, in spite of Article 92

of the Treaty, would undermine, if it continued, the effect of these proposals.

The draft regulations are very detailed. At this late hour I think I should avoid the details and say merely that they specify those operations which will qualify for aid, the form of aid permitted and the amount.

The operations listed are the obvious ones of building and modernizing vessels, with the emphasis placed on grants for equipment for processing, storing and marketing both on board ship and also for shore installations.

There is a grant introduced for fish-farming in salt or brackish waters, which demonstrates the over-riding need for greater fish supplies.

The grant system may take a variety of forms—capital grants, loans and subsidized interest rates. As to the amount, the range with many variations runs from 18 to 10 per cent of actual costs. I am glad to say there is no limit on vocational training for those engaged in the fishing industry or on research into new methods of fishing or processing or, indeed, on the search for new fishing grounds, although my committee thought that some ceiling might be desirable there, as the resolution suggests, to avoid the permanent subsidization of what might be uneconomic fishing.

There are two important derogations—first, for those regions which are especially handicapped in their conditions for the fishing industry; an increase in the maximum is permitted by up to 7 per cent for up to five years. This is welcome, but it raises the inevitable question: by what criteria are these regions of difficulty to be defined and who shall decide which exact areas qualify? I know that there is bureaucratic machinery for examining this, but it seems that ultimately a political decision will have to be made and we would welcome the Commissioner's thoughts on how that might come to be decided.

The second derogation is encouragement for producers' organizations, which would be given an extra 5 per cent. Again, my committee approved this, but we expressed some doubt whether the definition of a qualifying producer's organization, which is set out in the explanatory memorandum quoting the relevant passages in the earlier regulations, may not be a little too loosely drafted. At any rate we should like it to be reconsidered. We have doubts also whether some limit may not be desirable on the size of the project, particularly in relation to shore processing and storage factories, and the total amount of grants which might be given to any one project.

John Hill

Taking the proposals as a whole, one can make certain obvious criticisms of several proposals, on a legalistic plane, in that some may be said to be ambiguous in their drafting and perhaps so imprecise in their borderlines that difficulties in their application may arise.

One example is that the rate given for decommissioning a vessel is doubled if it is judged to be an inshore vessel as against a deep-water vessel, so that at the borderline there might well be administrative difficulties. I think that a broader criticism is that the experts at the moment appear to disagree on what are the best methods—the size of vessel and so on—which will prove most economical and efficient in future.

Therefore, one perhaps questions slightly whether it is wise for the Commission to indicate a preference for one kind of vessel—say, the multi-purpose deep-sea vessel as against the rest—and whether it would not be better to leave the balance of grant a little more open, so that in effect owners and people risking their capital decide, grants being equal, which method is likely to be economically, efficiently and commercially the best. Otherwise, there is always a chance that the regulations breed some minor sub-distortions merely because of the pattern of the grants.

I think, however, that the third broad criticism is that one hopes that these proposals as they come into action will result in modernizing and increasing the efficiency of the Community national fleets rather than expanding their capacity, because, as I said at the beginning, it seems that fishing capacity is, if anything, somewhat excessive.

Taking the proposals as a whole, we have to judge whether they are pitched at the right level between the two extremes. Either they could be so high as to be meaningless or so low as to jeopardize the Community's overriding need for a strong fishing sector.

Despite what I said about the danger of excessive capacity, I feel at the end of our contemplation of those proposals that the Commission needs to bear in mind the possibility that, although the level may be pitched right, in the light of fair competition within the Community, it is necessary to consider the pressure of competition from third-country fleets—that is to say, from outside the Community—which may receive greater but unmeasurable help.

The statistics show that there is a great deal of fishing in waters that Community fleets cover by, for example, ships from Russia and

Japan. I ask the Commission to watch this carefully.

The future for the Community fishing industry is liable to be abruptly affected by a variety of contingencies which are all at the moment uncertain. What is certain, come what may, is that the Community will continue to need a strong, efficient and prosperous fishing industry in the interests of producers and consumers alike. In that, I believe, the Commission's present proposals are an important stage towards a fully comprehensive Community fishing régime, but only a stage. As a committee, we await the next instalment. We agree on these proposals and hope that the House will accept our motion for a resolution.

(Applause)

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

Mr De Koning. — *(NL)* Mr President, I congratulate the rapporteur on the excellence of his report and on the clear explanatory statement he has given. My group agrees with the rapporteur's approach. We too recognize the importance of a healthy development of the fishing industry in the Community and of harmonizing the support measures taken by the Member States in the fisheries sector. We wish to prevent—and this proposal is one way of doing so—unhealthy competition developing between the Member States which may then try to outbid each other in their support for structural changes in the sea-fishing industry. The figures provided by each Member State show a number of very considerable differences in this respect.

The development of fishing is also important to the consumer in the Community, as Mr Hill has said. This scarcely needs emphasizing. In many parts of the Community, fish is a staple foodstuff. It is very important from the point of view of public health for this food to be available at reasonable prices. This is, of course, also important if the cost of living is to be kept down. Modernization of sea-fishing structures must therefore be aimed at making adequate supplies of fish available at reasonable prices. This modernization is, however, no less important to the producers. The Community has countless small self-employed fishermen who often pursue their profession under socially very difficult conditions and in return for meagre earnings.

The position of employed persons in this industry is often not much better, especially workers in small concerns or on small fishing vessels. A structural improvement of sea-fishing is

De Koning

therefore a necessary condition for improving the social and economic position of the people engaged in this branch.

In this connection, I should like to ask what social measures are now being taken to accompany these structural measures in the sea-fishing industry. The Commission's programme certainly contains measures to withdraw fishing vessels from service, but it does not appear to make any provision for the retirement of employees in a socially acceptable manner.

Structural improvement should mean, in sea-fishing as in other sectors, higher productivity per man and greater total outputs—in other words, more work for fewer people. Can the Commission say what measures are being taken to provide for persons leaving the sea-fishing industry? I am thinking mainly of small self-employed fishermen, for whom social provisions are either totally lacking or unsatisfactory.

The nature and extent of the financial support appear to be fairly close to the average for the Member States. In this connection, I wonder whether Mr Lardinois can say what reactions he expects from countries such as the United Kingdom and Ireland, where the support level, according to the figures in Mr Hill's report, is essentially higher than average. Will there be any inclination in these countries to reduce support to the maximum level indicated by the Community? What reactions does he expect from countries such as Belgium and Denmark, where the support level is much lower than the average? Will the regulation proposed by the Commission encourage upward harmonization there? These questions point to the weak aspect of the regulation, as the rapporteur himself has pointed out—namely, that it only contains measures designed to harmonize national policy.

There is no real Community policy based on common financial responsibility, but rather harmonization of measures which may or may not be taken by Member States as they think fit.

The rapporteur has directed a number of critical comments at the derogations from the regulations allowed for the benefit of certain regions and members of producers' organizations. He also feels that a clearer policy would be desirable with more precise criteria. We consider that those criteria should be defined very soon if the harmonization policy proposed by the Commission is to be successful.

Mr President, I gladly endorse the rapporteur's remarks on the problems which exist in competition between the fishing industry in the

Community and the fishing industry in third countries. I consider that Mr Hill has made a number of pertinent remarks on this matter in his report. I also believe that this problem cannot be solved in the short term. The third conference on the Law of the Sea will probably not overcome all these differences between countries. If that rather pessimistic expectation turns out to be true, should we then support the suggestion made by the rapporteur on page 18 of his report that harmonization of actual support policy should be viewed as a longer term objective? I believe it is dangerous to follow this suggestion. In my opinion, even if we cannot now expect the third conference on the Law of the Sea to achieve practical results and bridge differences, it is still necessary to make a start on harmonization support for the fishing industry as the first stage—and here I gladly endorse Mr Hill's remarks—towards a genuine Community fisheries policy.

Taking the proposals as a whole, the Christian-Democratic Group is able to support them.

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

Mr Laban. — (NL) Mr President, my comments on this proposal will be quite short, because the rapporteur has submitted a very detailed report to us. He has also explained his report in a most competent manner to us in this House. I wish to thank Mr John Hill for doing so. I also largely support the remarks made by Mr De Koning.

It is in itself a good thing that this regulation will spell the end of a certain distortion of competition brought about by the great differences between the level of support given by individual Member States. My group is pleased that higher maxima can be set for the producers' organizations. I hope that it will thus be possible for these organizations to continue production, processing and marketing. The rapporteur rightly drew attention to the fact that the necessary adjustments are high. Small self-employed fishermen cannot meet the expenditure entailed, with the result that multinational undertakings now dominate much of the market. This is in the interests neither of small producers nor of the consumer.

The Kriedemann report of 1968 already asked for measures to enhance competition. Now we have a proposal, but does Mr Lardinois expect that an increase in the maximum support of at most five points will suffice to place the producers' organizations in a better competitive position *vis-à-vis* Unilever and Findus?

Laban

I am also curious to hear his answer to the question how he will make sure that this extra support is well spent by the producers' organizations, since cooperative sales are not compulsory. How can abuses be prevented? I am also interested in the answer to the question which has already been put as to why no ceiling has been set in order to guarantee that only genuine cooperatives benefit and not big undertakings.

The Committee on Agriculture calls for a number of better guarantees in its motion for a resolution. My group agrees with this request.

The introduction of the regulation on harmonization is not so terribly important at present, when we consider the matter objectively. The maxima are more or less arbitrary; Mr John Hill has already drawn attention to this fact. I find this understandable, because no decision has yet been taken on a number of important points. The Commission's proposal makes no reference to this. I refer here to the invasion of one of the main Community fishing-grounds, in the north-east part of the Atlantic Ocean, by modern Japanese and Russian fishing fleets. It is difficult to compete against these fleets, with their heavy financial support: to do so, a great deal of money would be required from the Community. My group views the threat of over-fishing as still more serious. This might well deal a fatal blow at protein supplies and the production of fertilizers based on fish-meal—and that at a time when fish consumption is rising. Between 1960 and 1971 the Community's self-sufficiency fell from 95 to 75 per cent, while world catches rose by 30 per cent.

But in the North Atlantic the catch has remained stationary at between 10 and 10.5 per cent of the world catch. Since 85 per cent of the EEC catch came from that ocean in 1971, there is reason for serious concern. The herring catch in the north-east Atlantic Ocean fell from 3.7 to 1.4 million tons between 1965 and 1971.

This points to the risk of over-fishing. There is therefore a danger to all those EEC countries which take virtually 100 per cent of their catches there. The figures are only slightly lower for France and Germany, with 80 and 70 per cent respectively, while Italy does not fish at all in this area.

These matters must be placed on the agenda of the conference on the Law of the Sea at Caracas in June. In reply to Mr Brewis's question regarding the Community's position at this conference on the exploitation of natural resources of the sea bed, Mr Lardinois said this morning that he could give no information. He probably cannot give information on the fishery question either. I understand his position, but

I would ask him as the immediately responsible member of the Commission to stress firmly the interests of the sea-fishing sector and the risk of over-fishing the North Atlantic, when the Community's position is formulated for the Caracas conference.

On this point it must surely be possible for the Community to speak with one voice. The results of this conference are much more important to the sea-fishing sector than this regulation, which will probably have to be adapted again after the conference.

Nevertheless, this regulation on harmonization is still an improvement, and my group will therefore not withhold its support for the motion for a resolution.

(Applause)

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

Mr Liogier. — *(F)* Mr President, dear colleagues, EEC Regulation No 2141/70, of 10 October 1970, laying down a common structural policy for the fishing industry, provides under Article 9(2) that common rules must be laid down fixing the conditions in which aid may be granted by the Member States for restructuring the fishing industry.

The proposed regulation concerns the following types of fishing, which are defined under Article 2(1) of EEC Regulation No 1939/72: local inshore fishing, offshore fishing, high-sea fishing, deep-sea fishing and specialized fishing.

Pursuant to EEC Regulation No 2141/70, appropriate action aimed at promoting the rational development of the fishing industry should contribute to an increase in productivity through the restructuring of fleets, the adjustment of the conditions of production and marketing to market requirements, the search for new fishing-grounds and an improvement in the living standards and quality of life of those who earn their living from fishing.

The aim, therefore, is to coordinate national aid so as to avoid any distortion in competition within the Community. Now the regulation simply lists authorized categories of aid and fixes a ceiling, notably for production aid, in the form of capital grants. To this must be added derogations concerning, on the one hand, certain regional situations and, on the other hand, certain statutory positions, notably of producer's organizations. Such aid is necessary because fishing is not always a profitable activity. It is therefore a sort of public service.

Liogier

In view of the very keen international competition, harmonization, rather than a vague coordination of national aid, must be achieved. Such aid must be defined at Community level and granted in a dynamic context, through the Commission. The obvious and just solution therefore was to fix a level of aid—or various levels according to the different types of intervention—common to all the Member States and binding on them. In this way the true conditions would have been created for a harmonization of structures which are, indeed, quite different from one country to another.

The British fleet is, perhaps, a little on the old side, but very strong nevertheless; the German fleet has diminished by 50 per cent during the last few years, but the German Federal Republic has a programme for restructuring it. In France, the industry is less concentrated, although the fleet is the oldest in the Community.

No doubt, where one has to confine oneself to a definition of possible but not obligatory objectives, the least unsatisfactory solution is, when fixing the maximum and minimum level of aid, to adopt a relatively narrow bracket so as to reduce any disparities of treatment between recipients of aid.

But here again, perhaps, in the present state of the EEC, it is very difficult, if not impossible, to oblige Member States to eliminate or even to reduce distortions in competition resulting from differences in the level of aid. But the fact remains that the substitution for the aim of harmonization of a limited percentage which must not be exceeded, is a worse solution. Or one could fix this limitation at a sufficiently low level so that the difference between the earnings of professionals who receive no aid and of those who receive the maximum amount does not create an intolerable distortion in competition.

In this case, it is very possible that the limitation may be fixed too low, for its level will not take account of the probable findings of an objective study for each sector, which would allow for the restructuring of the fleet or adjustments to the market. Or the limitation may be fixed high enough to avoid hampering the effectiveness of the necessary measures, in which case the level of discrimination between the various interests concerned, according to the different political and financial policies of each national legislation, might create the risk of a generalized distortion in competition.

The decision to establish a Community fishing policy ought to create, between professionals exercising the same activity, on the same mar-

ket, access to identical economic and financial conditions.

Now, we are on the way towards wage differentials limited as far as possible through the fixing of a ceiling low enough to reduce the margin of distortion.

In the presence of fierce international competition, the obvious solution is to ensure, as quickly as possible, that the bulk of aid comes from the Community, national contributions diminishing as Community aid approaches the level needed to achieve the targets set.

Until this goal can be achieved, it is vitally important that each of the partners should make known, in as complete and objective a manner as possible, the volume and form of the various types of aid that can be granted.

To this end, the Commission should be able to require the Member States to send it, each year, a list of, and the technical arrangements for, the different types of national aid granted to the fishing industry, not only within the framework of this specific regulation but also by virtue of Articles 92-94 of the Treaty. Indeed, while such aid may be well known in France, there is little known about it in Germany, no doubt because it is distributed through the *Länder*, which justifies once again the principle of the Commission's intervening in this area.

In short, the inadequacy of this text, which is brought out in part by the criticisms of the rapporteur, prompts us to stress the need for an overall structural fishing policy, with well-defined Community objectives, in the face of world competition.

Furthermore, is not this regulation untimely? One may well ask. For we are awaiting the results of the Conference on the Law of the Sea, now being prepared, results which will have a decisive effect on future fishing activities.

It will be recalled that the Commission has published a recommendation to the Council summarizing the common positions of the Nine with a view to the conference, which will be organized under the auspices of the United Nations from the end of June to the beginning of August in Caracas and then, next year, in Vienna.

As we all know, the last Convention on the Law of the Sea, which took place in 1958, is quite out of date.

The developing countries want their territorial waters to be extended from 12 to 200 miles and protected by exclusive fishing rights.

Liogier

The Commission's position does not go so far: it recognizes the extension of territorial waters from 12 to only 100 miles and designates them simply as 'economic zones with preferential but not exclusive rights'. This means that, if a littoral state did not exploit them, these zones would be open to other states.

It is easy to understand, therefore, the interest attached by the Nine to the results of this conference.

In conclusion, I should like to congratulate the rapporteur very sincerely on his conscientious and illuminating work, which will help the Community to progress towards solving the important problem of restructuring the fishing industry.

This is the light in which our group will approve the report submitted.

(Applause)

President. — I call Mr Kavanagh.

Mr Kavanagh. — I also want to join in the congratulations to Mr Hill for his excellent document on the sea-fishing industry and, in general, the proposals to modernize and increase the efficiency of the sea-fishing industry by way of a common structural policy. In doing so, I point out immediately that I cannot agree with the general approval given to the document, simply because it will have a very serious effect on the very weak industry in my country. I rise to point out the problems that this regulation will cause Irish fishermen in the future.

While obviously agreeing with the principles included in it, I want to bring to the notice of the House the problems that it will confront us with in the coming years. Perhaps I may remind Members that if they look at Annex 1 to the document they will see that Ireland is by far the weakest nation in this sector of the industry, accounting for only 1.6 per cent of fish landings in 1971. Over the years, this small industry has been thriving and expanding.

One of the bottlenecks to this further expansion in the last year or two has been the difficulty of providing an adequate number of trained fishermen. I therefore rise, as I said, to point out the difficulties which the document produces for Ireland.

The regulation proposes to fix the maximum rates of national aid—expressed in terms of capital subsidies—for fishing vessels, equipment and the like. The regulation applies to Ireland, and the terms available under the document and the regulation would account for a subsidy of

about 30 per cent. The present position in Ireland is that the terms available under the Marine Credit Plan, to a purchaser of new fishing vessels under the Irish Sea Fishing Board, are a 25 per cent capital grant, a 70 per cent loan at the subsidized rate of 4 per cent, repayable over 15 years, and an incentive grant of up to 10 per cent if the fisherman clears his loan before expiry of the 15-year period. These terms are much more favourable than the maxima proposed in the regulation. Broadly, they are equivalent to a 50 per cent capital subvention. Loans at the subsidized interest rate of 4 per cent are also available for the purchase of second-hand boats, but this facility is not included in the draft regulation.

In so far as shore-based fish-processing equipment is concerned, this is eligible for grants from the IDA or *Gaeltarra Eireann*, which deals with the specific problems of the West of Ireland. Members are well aware, from listening to the Irish voice in this House, that this is one of the most deprived areas in the Community.

These grants for processing equipment range from 25 per cent to 66 and two-thirds per cent of the cost involved, depending on the area, as they do for the manufacturing industry generally. It may be noted that the processing activities covered by the draft regulation—sorting, preparing, freezing, processing and storing—are those capable of being performed only on board factory ships; other activities, such as canning or smoking, are not affected by the proposed 15 per cent ceiling.

The Irish position has received a sympathetic hearing from both the Commission and the other Member States, and the Commission representatives have promised to include a provision in the regulation giving special concessions to Ireland. My country would have to resist any reduction under the regulation on our present rates of grants for fish-processing, on the ground that Protocol 30 of the Treaty of Accession promised special consideration of the Irish Government's policy of industrialization and economic development designed to align the standards of living in Ireland with those of other European nations. The need for continued expansion of the fish-processing industry in Ireland, side by side with an increase in catching power, must be stressed during this debate.

President. — I call Mr Lardinois.

Mr Lardinois, Member of the Commission of the European Communities. — (NL) Mr President, I wish to add my voice to the various speakers who have congratulated the rapporteur on his

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excellent report. Mr John Hill has shown his ability to compile a fine report on fishing despite the fact that he has little direct contact with the industry in his own constituency. He has mastered the subject and produced a comprehensive report which has given many people including members of the Commission—a clearer picture of what is involved. I wish to congratulate him once again on having done so.

I am pleased that the rapporteur reached the conclusion in his motion for a resolution that the proposal deserves support. Critical comments have, of course, been made on a number of points. In particular, it has been asked whether more should not be done for the smaller producers' organizations and less for the bigger ones. I wonder whether he has not to some extent underestimated the significance of the term 'producers' organization'. This concept, as it has developed and been described over the years in the Community, contains far more obligations than the rapporteur probably considers.

I also do not agree with the rapporteur's comment that he sees some risk that large producers' organizations may enjoy almost the same benefits as the smaller ones. I believe that for many reasons, having regard to the obligations and requirements which must be placed on the administrations and so forth, we should not follow the path which appears at first sight plausible by saying that we must give advantages mainly to the smaller producers' organizations, especially as we should then incur the risk that large organizations might escape provisions of this kind by splitting up into smaller units. I would ask the rapporteur to take a closer look at his objection and above all to take into account the fact that as far as the concept of producers' organizations is concerned we place very stringent requirements on these organizations and heavy obligations on their members.

The next point to which the rapporteur refers concerns the support ceiling and, in particular, compensation for losses resulting from the search for new fishing-grounds. He asks for the definition to be made more specific. I am prepared to meet the rapporteur's wishes to the extent of stating that compensation for loss must only be given for survey programmes formally recognized by the Member States. I am most grateful to the rapporteur for drawing attention to this.

Mr President, Mr De Koning wanted to know what measures we could take to assist fishermen who leave their employment. He said that we have all kinds of regulations for ships but nothing

for fishermen. I would draw his attention to the fact that it would be very difficult to arrive at regulations very similar to those which apply in agriculture. But I can meet his request by stating that we can make preferential arrangements for fishermen within the framework of the measures and possibilities of the Social Fund and especially in the area of retraining. Facilities and preferential treatment can be given under the Social Fund to fishermen who have to change over to a different activity, through retraining and readaptation.

We shall encourage this in all cases where it is necessary.

Mr De Koning drew attention to the fact that regulations at present differ from our proposals. He said that Great Britain and Ireland would have to lower their level. Mr Kavanagh stressed how difficult this would be. I can assure him that under the regional policy there are additional possibilities for certain investments, e.g., in the fish-processing sector.

I would also draw the attention of Mr De Koning and Mr Kavanagh to the fact that the harmonization which we advocate here naturally does not take account of the fact that there is at present a great difference in value of the unit of account from one Member State to another. In other words, if other arrangements are made in regard to this unit of account, as is being done in agriculture, these differences—calculated on an objective basis or in any currency, be it pounds sterling, German marks or any other—will be much lower than appear at present from our figures. I am not particularly worried about this point. I am confident that the proposals we have made will be the subject of a responsible compromise in the Council.

Mr Laban has pointed out how important it is for the producers' organizations to be given the opportunity of exploiting further possibilities in their entire working environment, sometimes entailing indirect competition with large undertakings. He asks whether the offer we are making to the producers' organizations is sufficient. We cannot pursue a policy that draws a distinction between citizens and between undertakings. We cannot take up a stand against particular undertakings. As a public authority, we must abide by the principle of maximum neutrality. There is, however, no objection to laying down rules which in principle are identical for everyone while in practice being directed more at the little man and the forms of cooperation which can strengthen his activities. The principle of equality before the law is not to my mind eroded in this way. May I also draw Mr Laban's attention to the fact that I did not

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speak about the conference on the Law of the Sea? It was Mr Apel, who spoke on behalf of the Council. In any case, I do not agree with what he said about the value of the conference and the need for the Community to adopt a single line and speak with one voice on certain points.

I have already answered Mr Kavanagh.

Mr Liogier made an important contribution and drew attention to differences in the basic positions of the individual Member States.

In answer to Mr Liogier and Mr De Koning, I would say that this harmonization is not an end to the structural policy in the fishing sector. It is merely a beginning. This kind of harmonization policy must be slowly replaced by a genuine Community structural policy. We have already made a start through our regulations on the structural review of the cod-fishing industry. In the future we shall certainly arrive at Community action programmes in many individual sectors which are characterized by Community measures and which will then eventually take the place of this initial harmonization policy.

(Applause)

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.

10. *Regulation on customs arrangements for fishery products from Norway*

President. — The next item on the agenda is a vote without debate drawn up by Mr Thomas Dunne 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 amending Council Regulation (EEC) No 3609/73 of 27 December 1973 on customs arrangements to be applied to certain fishery products originating in Norway (Doc. 61/74).

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

11. *Regulation on the common organization of the market in sugar*

President. — The next item on the agenda is a debate on the report drawn up by Mr Martens on behalf of the Committee on Agriculture on an amendment to the proposal from the Commission of the European Communities to the Council concerning a regulation supplementing Regulation No 1009/67/EEC on the common organization of the market in sugar (Doc. 55/74).

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

Mr Martens, rapporteur. — (NL.) Mr President. I shall begin by thanking the Commission of the European Communities for the extensive documentation which was made available to the Committee on Agriculture on the development of production, consumption, imports, exports and stocks of sugar.

These figures show that between 1968-69 and 1973-74 production in the Community of the Six rose from 6 823 000 tons to 8 274 000 tons and that human consumption increased from 5 931 000 tons to 6 570 000 tons.

In the same period, exports increased from 703 000 to 970 000 tons, including 660 000 tons of C sugar, i.e., sugar produced above the maximum quota entirely at the risk of the sugar-beet growers and sugar manufacturers which must be sold on the world market.

These figures also show that in 1973-74 consumption in the Community of Nine will probably reach 10 million tons, or 400 000 tons more than anticipated, while imports from the Commonwealth countries will not be 1 760 000 tons but only 1 400 000 tons, or 360 000 less than anticipated.

This means that 760 000 tons less will be available. Stocks, which stood at 900 000 tons on 1 October 1973, will fall to 700 000 tons by 1 October 1974. This is the lowest figure we have seen for many years. No increase in consumption or production is expected in 1974-75, but there will probably be a further decline of 400 000 tons in imports from the Commonwealth countries, which are likely to amount to only 1 million tons.

In the light of these developments, the Commission feels it necessary to take measures to safeguard domestic sugar supplies by taking over the sugar intended for export.

A few weeks ago, at Mr Cheysson's request, the Parliament rejected two amendments to the resolution on the sugar memorandum. One of the amendments read as follows:

¹ OJ No C 55, 13. 5. 1974.

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'the European Parliament

considers that, if the Community is to achieve the highest possible degree of stability in its supplies and the prices paid for them, it is at this moment both wrong and undesirable to base the balancing of the Community's sugar situation on an absolutely fixed import of 1.4 million tons from the Associated developing countries.'

The question now arises whether the developing countries are both prepared and able to supply the sugar.

The second amendment was as follows:

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maintains the standpoint previously expressed by Parliament that the Community ought to take part in a new International Sugar Agreement, although wishing at this stage to reserve its position on whether (and if so, to what extent) the Community should eventually be a net importer or a net exporter *vis-à-vis* the world market.'

The proposals now submitted to us for our opinion show that the authors of those amendments were justified. The Commission has in fact worked out two measures designed to safeguard Community supplies, in particular by the use of internal sugar production.

The first measure—COM (74) 382 fin.—provides for an increase in the maximum quantities showing in the 1974-75 marketing year from 135 per cent to 145, for the countries which use the mixed price system—the Netherlands and Belgium—the maximum quantity for the marketing years 1973-74 and 1974-75 is increased from 230 per cent to 235 per cent. This agrees with the content of the agricultural memorandum, in which the desirability of increasing sugar supplies was indicated.

The second measure, in the shape of an amendment to Article 25 (1) of Regulation No 1009/67/EEC, embodies the principle of applying an export levy to C sugar although the possibility of suspending this levy where the market situation does not warrant its application is left open. The European Parliament is only being consulted on the second proposed amendment to the basic regulation. It is expected that Parliament will also be consulted on the other.

In order to clarify the precise implications of the second measure, I would remind you that the Common Market régime in the sugar sector is contained in Regulation No 1109/67/EEC, which lays down three provisions for sugar production:

- (a) There is a guaranteed minimum price for a basic quantity of A sugar. The quantity and price are fixed annually.
- (b) For a maximum quantity of B sugar fixed at 135 per cent of the basic quantity A, the producers receive a price which is lower than for A sugar because of the application of a production levy and the lower price index for certain products. The price and levy are set annually.
- (c) Finally, there is a quantity of C sugar, in respect of which growers may produce more than in quotas A and B together if they so wish but at their own risk, i.e., without any support and with the obligation of exporting this sugar from the Community. No export levies or refunds will be applied to this C sugar.

The Commission is now proposing an amendment to the basic regulation to prohibit exports of C sugar or to apply an export levy to this sugar such that exports will cease to be possible. The Committee on Agriculture has two objections to this change.

For several years, the sugar was sold on the world market at a loss. In view of the present world market prices this sugar (more than 600 000 tons) could be sold at prices which are 30 to 40 per cent higher than the guaranteed price for A sugar. The proposed measure therefore threatens to reduce the income of producers

A second objection is that markets run with considerable difficulty outside the Community would be threatened. I would ask Mr Lardinois what the reactions of our normal customers in North Africa and the Middle East would be if an embargo were to be placed on sugar exports.

The Committee on Agriculture feels almost unanimously that it would not be proper for the Commission to implement this change while granting producers equivalent compensation for the risks which they bore earlier in respect of C Sugar. With two abstentions, the Committee on Agriculture unanimously felt that measures must be taken to safeguard the Community's sugar supplies but without harming the interests of producers. It considers that the proposed amendment to the basic regulation is not particularly apt and that it would be more appropriate to raise the maximum quota substantially and to impose no production levy on Quota B. This view is unfortunately not very clearly formulated in paragraph 3 of the motion for a resolution. I shall be glad to explain how it should be understood. The Committee on Agriculture feels it desirable for the maximum quota

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to be increased and the production levies abolished in order (1) to safeguard reasonable supplies for the Community and (2) to stabilize the incomes of growers and manufacturers at a level which they are entitled to expect in the present state of the world market.

The Committee feels that the only appropriate way to escape from the sugar shortage and high sugar prices is to stimulate production by granting reasonable prices. World stocks have shrunk to such an extent and consumption has risen so steeply that there is no reason whatever to fear a sugar mountain in the next two to three years.

The Commission would irrevocably forfeit its credibility and confidence among the producers if it enforced its proposals without making sufficient allowance for their justified interests.

I hope that Parliament will unanimously adopt the Committee on Agriculture's resolution. I thank my colleagues in advance.

(Applause)

President. — I call Mr Thomsen, draftsman of the opinion of the Committee on External Economic Relations.

Mr Thomsen, draftsman of an opinion. — *(DK)* Mr President, the Committee on External Economic Relations has also discussed the present proposal from the Commission.

I regret to have to tell you that this discussion only took place yesterday evening after the sitting of the Parliament. As you will appreciate, this was not a good time for a committee meeting. But we did discuss the matter and I should explain that there were no difficulties for the Committee on External Economic Relations in respect of A and B sugar; the only question was whether we could agree with the Commission's proposal to establish a countervailing charge for C sugar.

Generally speaking, the problem here is whether the producers who have taken risks should not now be allowed to enjoy the full yield from that risk and benefit from higher world market prices, or whether, in the interests of consumers, they should not be made to supply the common market at a lower price than world market prices, but with the certainty that they will obtain that price.

This was discussed in the committee, where both points of view were represented, but a vote showed that a small majority was in favour of support for the Commission's proposal, a result which I hereby have the honour to submit as

draftsman of the opinion for the Committee on External Economic Relations.

President. — I call Sir Douglas Dodds-Parker, draftsman of the opinion of the Committee on Development and Cooperation.

Sir Douglas Dodds-Parker. — I too was called upon at very short notice last night at a meeting of the Committee on Development and Cooperation to draft an Opinion on the Commission's proposal for a regulation contained in Doc. 30/74, not, of course, for the motion for a resolution of the Committee on Agriculture to which Mr Martens referred but for the Committee on Development and Cooperation. I am afraid we were rather behind in doing that.

The only point I proposed at last night's meeting was to support the Commission's regulations for an export levy on quota exports. This I now repeat.

Any other points made in the letter from the acting Chairman of the Committee, Doc. 55/74 of today's date, were not cleared with me as draftsman of the Opinion; nor did I see the letter before it was dispatched, when I could have resisted it.

I regret any misunderstanding which may have been my fault. This document implies views which are in no way the responsibility of myself or my colleagues. It therefore has no validity as an Opinion either in character or in content. It is not sufficient to put the record straight by speaking thus. I have written to the President of the Parliament asking—and I must still ask—that this so-called Opinion be withdrawn formally, since it must not be left on the record as in any way representing the views of my colleagues and myself on the Committee on Development and Cooperation.

Very briefly, we had no notice of the very interesting points which Mr Martens raised. I would not like to agree, although I admit I have had no chance of checking his figures, that there is any reason to accept figures suggesting that the Commonwealth producers will fall short before the end of 1974. In 22 years, Commonwealth producers have always produced the sugar from one source or another. They have produced their quota: if a hurricane has hit one part of the world, another has provided it. I still believe they will honour their contracts, since they realize that otherwise they might lose their further quotas, which could be filled, as they understand, from the Community, including the United Kingdom, where my former constituency has been restrained for many years by both political parties from increasing beet production.

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

Mr De Koning. — (NL) Mr President, I should like to begin by associating myself with the compliments paid by the rapporteur to the Commission on the information which it has provided on this rather complex proposal. I should also like to compliment the rapporteur, who has incorporated this information in his report in such a competent manner.

The rapporteur has clearly outlined the problem facing the Commission. Imports into the Community are inadequate, and consumption is increasing. These two factors, together with a low level of supplies, give reason to fear a future shortage of sugar in the Community. The inadequate level of imports is strange in itself. I was rather surprised at some of the remarks which Sir Douglas Dodds-Parker made concerning the proposal. He clearly doubts whether the imports promised under the Commonwealth Sugar Agreements are being put fully into practice. I should be interested to hear the Member of the Commission speak on this point. It is always important to know whether some countries are in fact not observing their agreements with the Community. It is especially important before the forthcoming negotiations on the renewal of the Commonwealth Sugar Agreement. The renewal will only make sense if the Community's trading-partners also see the importance of a guaranteed market for their products at a guaranteed price, whatever the ups and downs of the world market, and whatever marketing opportunities arise in connection therewith. It is certainly important to know to what extent the agreements were observed during the past year, when the situation on the world market changed completely. We can learn from this before concluding new agreements in the years to come.

All this, however, does not affect the present problem, that of sugar supplies in the Community. Mr Martens has already explained how the Commission intends to solve the problem, by imposing an export duty on C sugar, the so-called 'free sugar'. It is indeed possible to make a formal distinction between A and B quota sugar, for which there is a wholly or partly guaranteed price, and C quota sugar, which is sold at the price prevalent on the world market and which can be compared to free agricultural products such as potatoes and onions. For these products, the market price at the time is the price paid. I see that Mr Lardinois is shaking his head, but I still believe that there is no guarantee for C sugar under the agricultural policy and that this sugar can

clearly be compared to other products for which no guarantee is given. In his present and in his former capacity, Mr Lardinois always argued powerfully and persuasively that in the case of potatoes and onions, the government should avoid the price risks brought about by trends on the sugar-beet market. He has argued equally strongly during the past few years for a policy of this kind for C sugar. The Community, rightly in my view, took no action. Mr Laban says that all potatoes and all onions are involved. That is correct, and only some sugar is involved. However, I shall first of all go through the formal progression of ideas. The sugar quota is divided into three categories, and free sugar is in category C. On the basis of this reasoning, one should say, 'If there is a shortage of sugar in the Community, the Community must buy sugar at the world price. It can do that by buying C sugar at the world price inside the Community, the free market price, or by buying sugar outside the Community.'

This argument is more or less sound. C sugar has been sold at exceptionally low prices in the past. It is wrong to argue that C sugar most suffer the disadvantages but not enjoy the advantages resulting from variations in supply and demand and in the price-level on the world market.

It is clear that there are political objections to such a policy. It would mean a substantial increase in sugar prices, with all that would imply for the consumer and the cost of living.

Although I do not altogether defend this—and here I come to the arguments put forward by Mr Laban—the production of C sugar at extremely low prices was only possible in the past and will only be possible on a continuing basis because of profits on A and B sugar. The Community's guaranteed price was a decisive factor in those profits.

I also believe that there are arguments against a variable levy on C sugar. If the Community wishes to reserve C sugar for its own supply by imposing a levy covering approximately the difference between the world price and the price paid for sugar within the Community—that is, a variable levy—that means that all the risks are in fact taken by the producers of C sugar and that the producers do not profit by the existence of a high price on the world market, and if there is a low world price—for which of us can anticipate what will happen to world prices?—the risks facing producers will be felt keenly, as in the past.

I believe that a variable levy on C sugar does not offer sufficient security for a satisfactory

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producers' price for this kind of sugar, even in the long term.

In principle, therefore, I am in favour of the preference of the Committee on Agriculture that the maximum limits of the A and B quotas be raised. This would lead to a more stable producers' price for sugar. If we raise the prices of quotas A and B, taking our starting-point as the Community's sugar supply, careful attention should be paid to import agreements which the Community has concluded or is to conclude with third countries.

But I will not be too dogmatic when putting forward this point of view. If the Commission is able to give an assurance that a long-term price guarantee can be brought into effect, so that C sugar does not end up in an unfavourable position when compared with A and B sugar, not only in terms of present prices, but also in terms of future prices, if the Commission can give an assurance that C sugar will be at a satisfactory price level for a whole season when compared with A and B sugar, there need be no difference between the Commission's original proposal and the amendment proposed by the Committee on Agriculture.

Before adopting a final position, I should like to hear Mr Lardinois' answer on possible assurances by the Commission as regards stable prices for C sugar.

In other words, is the levy on C sugar a variable levy which alters from day to day according to the world price level and which can fall so that the price is lower than the price of A sugar if there should be a change in the world market, or is the Community policy on C sugar aimed at fixing a long-term price, that is, for one season at least, at a level which might be considered satisfactory for the producers of C sugar, even when compared with the past price?

If I receive a satisfactory answer from Mr Lardinois, I shall once more adopt a position favourable to the original Commission proposal.

President. — I call Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

Mr Scott-Hopkins. — There is no doubt that this sugar régime within the Community is an extremely complicated one. I congratulate Mr Martens not only on the way in which he presented his document this evening but on his total grasp of the situation of the sugar régime within the Community. If anybody understands it, he does. He has presented the facts very clearly to us this evening.

There are one or two matters to which I wish to allude. The first—here I make no comment except to draw your attention to it, Mr President—is that the document from the Commission that we are discussing this evening is without doubt the worst English translation of any document that I have ever had in this House. It is virtually incomprehensible in English. Had it not been for the comments of Mr Martens and the Committee on Agriculture I should not have had the faintest idea of what the document was about. I shall not weary the House by reading passages from it; it would bore the Commission and the House. I hope that they will take my word for it that it is almost complete gibberish. I hope that no document will ever again come to us so badly translated as this.

The second point—it has not been answered by you, Mr President—was referred to by Sir Douglas Dodds-Parker, speaking on behalf of the Committee on Development and Cooperation concerning the opinion of that committee. He asked not only that it should not go into the record but that it should be withdrawn, as it was not an expression of the correct views of the committee of which he was draftsman for the opinion, and that you should agree that the opinion circulated be withdrawn as it did not represent either his views or the views of the committee.

If you look at that document you will see that there was not a quorum, so the committee had no right to submit an opinion.

Thirdly, I should like to know who drew up and distributed the document in the form in which it was distributed. Was it the Secretariat of the President, or the committee? How did it happen? As far as I can see, it is completely out of order on three counts. I shall say no more about it.

I now turn to the important part of the debate. Various questions have been raised. The Commission is proposing that there should be a levy on the sugar from Quota C in order to make up the shortfall within the Community, as consumption has risen and stocks available within the Community are not sufficient as they stand.

The sugar year ends at the end of September and the beginning of October, so the sugar year 1973-74 runs from the beginning of October 1973 to the end of September 1974. In the current year there has been a much lower yield within the Community—a point neither Mr Martens nor Mr De Koning referred to. It was a much lower yield than was expected. The Commission expected the reverse. It sub-

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sidized 300 000 tons of exports of Category B sugar at about Christmas-time, 1973. At that time it thought that there would be a surplus of sugar in the Community. That fact and the low yield within the Community are the main causes of what has happened.

The third cause—I should be the last to disguise this—is the fact that up to now there has been a shortfall in the arrivals from Commonwealth countries—a point made by Mr De Koning—of just over 200 000 tons into my country.

The reason for this is the vast increase in the prices of other commodities in these countries of the Caribbean. They needed the money desperately and my country may have been slow in negotiating with them. So they sold, this year, 300 000 tons which should have come to the United Kingdom from Jamaica and Guyana.

A long strike in Trinidad exacerbated the position. Those two unfortunate situations have been rectified, as Sir Douglas Dodds-Parker said. The sugar year does not finish until the end of September, and there is still time for the shortfall of 200 000 tons-plus to be made up from Commonwealth producers. I do not say that they will, but they have never failed us in the past and it is possible that they will be able to do this before the end of this year.

The point made by Mr Martens—not the same as Mr De Koning's point—was that for the 1974-75 year—that is, from October 1974 to October 1975—there would be a shortfall of about 400 000 tons. He did not expect more than 1 million tons to come from the Commonwealth. I dispute that with him. I hope that the Commissioner will be able to say that he has no evidence that in the sugar year 1974-75 there is any likelihood of a shortage of 1.4 million tons on the amounts in Protocol 23 and the contract agreed between the Commonwealth, the United Kingdom and the EEC.

I hope that that is so. I firmly believe that it is. We therefore have to decide whether or not we should accept what the Commissioner is saying. There are three factors, two of our own making; exports of 200 000 tons, low yield, and lack of imports. The latter was certainly of our own making because we were not moving quickly enough.

I am sure the Commissioner was right in saying that charity begins at home. We must see that our consumers within the Community do not suffer from the mistakes which we have made as well as from the mistakes of Nature. This means that what is being proposed, that there

should be a levy to discourage forward contracting of sugar and to discourage the export of sugar when we have a shortfall within the Community, must be the right thing to do.

There have been queries from Mr Martens and Mr De Koning as to what will happen to buyers of Category C sugar from the Mediterranean area. I am sure they will find that sugar on the world market. If there is a continuing shortage, there will be no lack of buyers of whatever surplus we may have in the future, should the Community's sugar production increase.

The main force of what the Committee on Agriculture has been saying is that this is unfair on Category C producers, and to a certain extent it is. In what I might call the bad old days, from the sugar producer's point of view, when the export of Category C sugar was at the world price, which was right down, he had no help from the Community funds. Now that the world prices are up—in the £200-a-ton range, if the Commissioner's proposal is accepted—he will not be able to get the full benefit. Nevertheless, he will get a fair return on his money for his beet. He will get the Category A price for it. If, as Mr Martens says, there is a continuing shortage, he will continue to receive the Category A price for whatever sugar is required to make up the shortfall.

I have not heard anybody say yet that the guaranteed price of Category A and B sugar, which was decided at the annual price review, was insufficient to give a fair return to the producer. Therefore, we say that, while we do not think that the Category C sugar should be sold overseas when it is required in the Community, the return that the producers will get for the sugar beet sold within the Community at Category A prices constitutes a fair return for the extra sugar which is falling into Category C.

I take heart from the fact that the regulation which will be discussed at a later part-session concerning the increase of quota A and B will also ease the situation.

I recommend my friends to support the Commissioner's recommendation that this levy be put on the export of Category C-type sugar.

President. — Mr Scott-Hopkins, you have put a number of questions to me, the principal one being the question of English translation. This problem will now be submitted to the administrative services of the Commission, which is, of course, responsible for the translations it produces.

President

The second question concerns the quorum required for valid deliberations in committee, and I fully agree with you that there are quite specific rules governing this matter. I should add that it is the committees themselves which are responsible for seeing that decisions are made in a completely satisfactory way and in accordance with the Rules of Procedure.

The document we have before us was deposited by the Directorate-General for Committees and thus considered by the House under the rules which we usually follow. If it does not conform to the rules, it would in fact have been reasonable to ask at an earlier point in the sitting that the item be removed from the agenda.

I call Mr Liogier to speak on behalf of the Group of European Progressive Democrats.

Mr Liogier. — (*F*) For once, Mr President, I can assure you that I shall not use all the time allotted to me, for two reasons. First, because I expressed our group's viewpoint at some considerable length during the last plenary sitting in Luxembourg, when debating the Community's sugar policy in the light—now faded, I might add—of the 1973 memorandum, in spite of the unavoidable absence of all but four members of the French delegation and at a time when the debate was not urgent.—That is putting it mildly. It was even less urgent because the memorandum was already very much out of date, particularly as far as sugar was concerned. The Commission member who replied agreed that this was so.

Second, because the excellent report of our colleague, Mr Martens, contains the gist—in a synthesis both fascinating and objective—of all I could have said today and what I actually did say during the Luxembourg session. Indeed, I need not withdraw a single sentence of my last speech, which ties in perfectly with our present discussion, thus proving that the two reports, the Luxembourg one and today's, ought to have been linked so as to make the debates more logical and lucid.

I should like to stress that, as far as the Committee on Agriculture is concerned and following an extensive discussion of the issues involved, Mr Martens' report was adopted unanimously, with two abstentions, as regards both the proposed resolution and the explanatory statement, which you have before you.

This being so, the group I represent, following the example of our committee, will approve Mr Martens' report because it represents the very least that can be accepted without seriously injuring the legitimate interests of the Community producers, and because it conforms

to the proper interest of the Community's consumers as well as third countries.

As this report emphasizes, the basic regulation, No 1009/67/EEC, on the common organization of the sugar markets was drawn up during a period of surpluses and low world prices. Its main aims, therefore, were to limit marketing prices, maintain a specific and limited volume of production and develop production only in those regions most suited for cultivation, so as to avoid excessive output and a corresponding collapse in prices.

But the trend changed very quickly, and world production, which, by 1970, was already less than current consumption, is increasingly unable to satisfy demand, which is growing constantly, thus reversing the ratio between Community prices and world rates.

It must be noted here that the Commission, having based its sugar policy on continuous surpluses, was surprised by the speed at which the trend changed direction—so much so that its relatively recent memorandum has shown us that it still cannot believe—which is regrettable—the present continuing situation of shortage, in spite of the arguments to the contrary which I have already had occasion to advance several times.

Thus, in the face of present necessity, which clearly seems to give the lie to these calculations, it has to admit that the Community is well and truly faced with a very serious problem of shortage, with the risk of a complete drain on its stocks.

But the Commission still seems to believe that this is a short-term phenomenon, not a structural one. On this we have already expressed our opinion, which is far removed from its own and far removed also from that of the speaker before me.

That is why, having, in spite of everything, to take emergency measures, being confronted with the event, the Commission presents us chiefly with what I call—with scarcely any evaggregation—palliatives, which, in our opinion, not only cannot solve the basic problem but also risk, if they remain as they are, discouraging Community producers of sugar-beet. Whether one likes it or not, the well-nigh general shortage of raw materials, including basic agriculture production, must lead, and is leading—it is the law of the market—to higher prices, aggravated by rising production costs.

How can prices be kept within reasonable limits, if not by increasing competition, which means increasing production? How is increasing production, the only way to keep prices stable, to

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be assured, if not by encouraging Community production as much as possible? For Community consumers must not be made dependent for their supplies on third countries, which are now threatening to turn very soon to other crops than sugar-cane. These crops have already become more profitable, with the result that, for example, the promises made by the Commonwealth countries are not being—and will not be—fully kept, to say the least.

During the Committee on Agriculture's discussion, the representative of the Commission told us, with great conviction, that our primary object should be a policy of development aid for the least-favoured countries and that one must not neglect what amounted for the Community to an imperative social duty. We quite agree with this and have exactly the same aim. I thought I had expressed myself clearly on this subject less than a month ago.

But we would not wish the Malthusianism which here seems to be being imposed on the Community to be quite incompatible with the object desired and to benefit primarily those countries which cannot be called underdeveloped.

We cannot forget that most of the developing countries do not export but import sugar, which is why both they and we have an interest in increasing Community production to its maximum capacity and thus ensuring, firstly, our own consumption and, secondly, increasing the amounts put on the world market. This is the only way, by the law of supply and demand, which we cannot ignore, for the developing countries to obtain supplies at reasonable prices—which is not the case at present, as you well know—let alone creating for their benefit a form of cooperation in which everyone must play their part, and I stress this, rather than simply leaving it to the sugar-beet producers to do so.

As for the consumers, a policy of increasing production will necessarily comply with their desires and interests, by virtue of what I have just said.

Naturally, the Community sugar supply must also be guaranteed, which is why, as Mr Martens said, surplus amounts in respect of the maximum quota must be sold on the Community market if necessary, which implies a very substantial increase in this quota. In fact, it does not seem sufficient to vary it between only 135 and 145 percent. It would appear necessary to suppress the quota system entirely as regards the production of B sugar and to allow the possible surplus, i.e., C sugar, to be sold on the world market without imposing a heavy

export levy by the refund system proposed by the Commission; we do not consider this the best method of lowering world sugar prices and encouraging producers to work together to produce an overall equilibrium between consumption and production at profitable but also reasonable prices.

We shall therefore vote in favour of the report submitted to us, which follows exactly the lines we always advocated; and once again we congratulate Mr Martens on his excellent work and the conclusions he has drawn.

President. — I call Mr Vetrone.

Mr Vetrone. — (I) Mr President, ladies and gentlemen, I should also like to congratulate the rapporteur, Mr Martens, for so clearly explaining some elements of the present sugar shortage in the Community. Though the rapporteur did not say so, I should like to point out that the Commission's representative told the Committee on Agriculture that the Community, which really needs a sugar reserve of 10 per cent of its consumption, today only has a reserve of 2 per cent. Some countries, mine for example, at present have no reserves whatsoever. So we are clearly going through a period of shortage, and it seems very strange that Mr Scott-Hopkins should dismiss this shortage as a momentary phenomenon just because last year's crop was smaller or because some Commonwealth countries (and this is really the point) decided to sell their sugar on the United States market rather than respect the commitment which they had made to sell it to the Community.

We can also deduce the existence of a chronic shortage from the fact that, though production may increase, it will never do so at the same rate as consumption, which is growing by 20 per cent per annum.

Community Regulation No 1009/67 was conceived and adopted in a period of surplus. This regulation established three régimes for sugar production: Quota A, with a guaranteed minimum price; Quota B, which could be up to 135 per cent of the basic quota but was penalized by a production levy, and Quota C, which Mr Martens, or it may have been Mr De Koning—I do not quite remember—rightly called the 'free quota'. It was free in the sense that it was destined for export at a time when prices on the world market were lower than those in the Community.

The Commission suggests that an export levy should be applied to Quota C for the obvious purpose of discouraging exports in the present

Vetrono

state of shortage in the Community. But I feel, Mr Lardinois, that the moment an export levy is applied to Quota C it must cease to be called as such. It can be called whatever else you like but not Quota C, because the moment it is no longer free it is no longer Quota C. The rapporteur has suggested that, since Quota C no longer exists the moment it cannot be freely exported and is subject to an export levy, it should be amalgamated with Quota B. Someone in the committee even suggested amalgamating it with Quota A. Taking into consideration the fact that the Committee on Agriculture suggested that the production levy on Quota B be eliminated, it becomes impractical to talk of quotas and we just have one quota to talk about, which is anyway not large enough to satisfy the Community's needs.

Mr Scott-Hopkins evidently does not share the committee's opinion (which had substantial majority support) and, when defending the consumer, said in effect that some Caribbean countries had not upheld their commitment to sell sugar to the Community because we were not prepared to offer them higher prices. He then said that the Commission's proposals satisfied consumer interests because the consumers ought to be able to have sugar at a lower price. I do not understand what type of consumer exists in Great Britain—they seem not to mind about higher prices when the products come from the Commonwealth and only protest when higher prices are the result of Community policy. There is a blatant contradiction here somewhere. The argument seems to be that we should be very careful about increasing production prices and therefore make the consumers of the other Community countries suffer the consequences in order to maintain the prices which face the English consumer. This argument is held to apply simply because we are talking about Community sugar; if we had been talking about Commonwealth sugar this price or any other price would have been accepted. This is altogether absurd and unacceptable. We must put a stop to this state of affairs—at the moment we only seem to be discussing the interests of the British Conservatives here. This evening, despite the fact that, as you know, Mr Lardinois, the United Kingdom meat producers are protesting about low costs, Mr Scott-Hopkins suggested refusing to use urgent procedure for the Commission's invitation to make provisions in favour of producers in my country, France, Ireland and his own country. He opposed the acceptance of this urgent procedure. I do not know if he will ever talk to the English producers, because I do not believe that he could tell them what he has told us in explanation of his refusal to

accept urgent procedure. This problem is, however, very important, because it is intolerable that any prices should fall below the guaranteed minimum price.

President. — I call Mr Kavanagh.

Mr Kavanagh. — Mr President, I speak on behalf of the Socialist Group. I do not believe that you were told that at the beginning of the debate.

The report by Mr Martens is excellent and he is to be complimented on his presentation of it. Because of the extent of the information which he has given us, my task has been made particularly easy and I hope to be brief.

It is interesting at the outset to compare the world situation and the Community situation in the last few years. From the year 1970-71 till 1972-73 the world sugar balance was regularly in deficit. Needs could be satisfied only by repeatedly falling back on stocks. From 1973 to 1974, according to the first estimates, production will once again catch up with consumption but will not permit the reconstitution of stocks at the end of August 1974. These represent only 20 per cent of world consumption, a level considered by all the specialists to be dangerously low.

It is estimated that normal stocks, to ensure guaranteed supplies to consumers and to avoid excessive pressure on the market, should be in the region of 23 to 24 per cent of consumption. The increase in production necessary for reconstituting stocks is thus between approximately 2.4 and 3.2 million tons. In addition, the quantity necessary to meet the increase in demand is between 3 and 3.5 per cent of present consumption.

The world increase in prices started about 1970 and has continued for four years. I should like to indicate how this trend has escalated in recent years. It is interesting to note that the white-sugar rates at the Bourse in Paris, in French francs per metric tonne, since 1968, have gone, on the "spot" annual average, like this: 1968, 242 French francs; 1969, FF 380; 1970, FF 485; 1971, FF 694; 1972, FF 1021; 1973, FF 1121; and on 13 February this year the figure was FF 2570. That is what has happened in the world since 1968.

When Mr Scott-Hopkins refers to problems of the weather, tornadoes and so on, which affect the production of sugar in the Commonwealth countries, I think that figures like this, if they continue, may put more pressure on those producers to look away from the Com-

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munity and consider their interests on the basis of world sugar prices. Even since November 1973 these prices have been above the internal Community prices. At present, they represent more than double this figure. In order to halt Community exports a deduction at the moment of export was introduced in November 1973. At the present time it amounts to 26.50 units of account, the Community intervention price being 23.57. A real shortage has appeared on the market of which everybody is aware, the supply has been insufficient to meet the demand, and the low level of stocks has incited those with sugar to hold on to it.

The Community, as we are aware, is basically self-sufficient in its production, to the general extent of between 100 and 105 per cent, and the importation to Great Britain of the missing 1.4 millions tons has had the effect of producing a large export rate from the Community. But the basic fact to be derived from the statement from the Commission is that sugar consumption in the EEC in 1974 will be 10 million tonnes and not 9.6 million, as originally expected.

In addition, we have the problem of the shortfall in British Commonwealth trade. I believe it is about 300 000 tonnes. This leads to a Community shortage of about 700 000 tonnes. This is especially marked in parts of Great Britain. To cover this shortage, sugar has had to be imported from other EEC countries at considerably more than the intervention price. This is basically the dilemma in which the Commissioner finds himself. Should he expand home production or depend upon exports from third countries?

I suggest that the first responsibility of the Commission is to the consumer, and that must be to maintain adequate supplies to the consumer. We have heard from Mr Scott-Hopkins that it is likely that the Commonwealth supply will be up to normal expectations this year and that it is intended to maintain that supply in the next year. The point is: With the figures which I have quoted, can anybody expect Commonwealth suppliers or others to export to the Community when there are prices available which are almost double those in the Community?

Another fact which I should like to mention is that there are developing countries which import sugar, and we should not leave them out of a debate like this. The great majority of populations of the third world import sugar. These countries can supply their sugar requirements only if they have liquid funds and if world sugar prices are relatively low. In the present situation they must buy their sugar at a

price which is twice that paid by the British consumer. At the same time developed countries in the EEC are exporting sugar. As long as that situation continues I think there are large areas of the third world which can look to the Community for aid from this fund and see that there is a certain unethical imbalance in the sugar situation here in the Community.

At the same time we must remember that the largest part of EEC sugar exports is destined for developing importer countries. Far from being a disturbing element in world markets, these exports constitute an indispensable contribution to world supplies.

In conclusion, I wish to point out that the interests of the producers have been mentioned by previous speakers. In my view the resolution explicitly states that the incomes of the producers must be stabilized. This is in line with Article 39 (1) (b) of the Treaty. We also believe that the maximum quota will be raised, but at the recent meeting of the Committee on Agriculture a Commission official stated that the quota might be raised as high as 180 per cent. There are members in my group who might feel this would not be realistic, but would create surpluses that would bear heavily on the EAGGF.

Nevertheless, in view of the prices existing in the world and the fact that there is hardly likely to be a great reduction in world prices because of the high increase in input cost, is this figure as unrealistic as all that? The production levy, we believe, would be abolished, but in the original proposal the Commission had a production export levy on C-sugar.

Once again, my group would certainly favour this being maintained because it would once again ensure supplies to the Community. The interest of the consumers, as I have said, lie in a constant supply of sugar over the coming years. The higher maximum quota should ensure Community supplies and at the same time prevent excessive price rises.

Although a higher maximum quota is recommended, the Committee's motion for a resolution seems to offer a good compromise in the interests of the consumers and those of the producers. However, I will certainly listen to what the Commissioner has to say, although at this time I feel I must support the document on behalf of the Committee on Agriculture.

President. — I call Mr Lardinois.

Mr Lardinois, Member of the Commission of the European Communities. — (NL) Mr President,

Lardinois

at this late hour I shall endeavour to answer the rapporteur and the various speakers as briefly and succinctly as possible. This is an important matter, which is also very delicate from the political point of view.

I should like to start by mentioning a number of facts, since some speakers have disputed or cast doubts upon the contents of the report.

My first observation is that I greatly appreciate the rapporteur's work, the information with which he has provided us and the fact that he has shown, as Mr Scott-Hopkins rightly observed, that he fully understands his subject, which is anything but a simple one.

We have a basic quota, distributed so far among the Member States, the so-called A quota, with a guaranteed minimum price. Then there is the B quota, which may, so far constitute up to 35 per cent of the A quota in the various Member States. Finally, we have the C quota, over and above the other quotas, to which no guarantees apply. The guarantee applying to the B quota is much lower than the guarantee for the A quota.

In most Member States the B quota is not fully consumed. It is consumed in Member States where it is possible to produce sugar most economically. The most important states in this respect are France and the Benelux countries.

Mr President, we are faced with a problem which could not be foreseen. We assumed that we had enough sugar when we stopped normal exports without levies or export refunds after the harvest. We can no longer depend on this in view of the events of recent months. The most important of these is that the British Government has reported that the Commonwealth countries will be supplying 20 per cent less under the Commonwealth Sugar Agreement than their quota. This quota is approximately 1.7 million tons, making the amount involved 340 000 tons.

100 000 tons of this can be met from British stocks, but the rest will have to come from the Community. Despite the fact that the Community sugar prices are favourable, there are small outlets here and there which result in the consumption of sugar in the Community being somewhat higher than normal. The result of all this is that our reserves at the end of the year, which normally amount to a million tons—sufficient provision for normal supplies—will in all probability be limited to 500 000 tons. This is not enough. We therefore have to take measures to ensure normal supplies at normal prices. I particularly regret that we shall therefore have to avail ourselves of the possibility

of using up a portion of the C sugar, which producers are normally free to dispose of as they wish. I hope that it will not be necessary to take in the whole of the C quota. If we take in part of it and prohibit its export, then I agree basically with the rapporteur's view that we shall have to provide an absolute guarantee for that portion of the sugar for the present year. This guarantee must remain in effect even if the world market situation changes for any reason during the course of this year. In this case, we should provide a guarantee for that portion of the sugar at the same level, in my opinion, as for A sugar.

At all events, a certain proportion of the C sugar should also be disposed of freely on the world market. I do not yet know what quantities will be involved, but a small proportion must remain available for this purpose, so that the sugar markets in London and Paris, whose normal existence depends on a certain quantity of free trade in sugar, can continue to operate. This economic activity is of great importance, and these markets must therefore be kept operative. I am aware that it is important for producers that they should know as soon as possible precisely what proportion of the C sugar has to remain within the Community and what proportion can be exported. I promise Parliament that we shall clarify the situation as quickly as possible.

With respect to B sugar, I do not expect that we shall have to fix production levies next year. The rapporteur can take it for granted that this will not be necessary. It is only normal that this should not be so, given the present world market price conditions. If we are forced to decide on such a radical measure as the blocking of C sugar, it is consequently very improbable that such levies will have to be imposed on B sugar.

I agree with Sir Douglas Dodds-Parker that it is particularly regrettable that, of the more than 20 years of the British Commonwealth Sugar Agreement, an agreement which has operated successfully for decades and whereby Great Britain has paid more than the world market price for sugar in virtually 19 of the 20 years, the last year should be marked by a failure of the Commonwealth countries to fulfil their obligations and that at the crucial moment the obligations—which are basically contained in the British Commonwealth Sugar Agreement—should have to be taken over by the Community. This is tragic. There is no other word to describe it. Perhaps it is most tragic of all for the Commonwealth countries themselves, for it is clear that we cannot let our European consumers depend on whether a few hundred

Lardinois

thousand tons are supplied or not. A few hundred thousand tons less on a market such as the present one may result in the price for 10 million tons of sugar being forced up enormously.

Fortunately, with the C sugar, we are still able to control the situation; but, as you know, the intention is to abolish the C sugar scheme. It is therefore my opinion that, in view of Great Britain's tragic experience in the last year, when the Community finally concludes contracts with these countries with regard to the 1.4 million tons much stricter commitments must be required from these countries than is the case at present under the British sugar agreement.

We do not wish to give those countries only rights; in view of our experience we shall have to require commitments which go much further than those which Great Britain has so far required, since the risk of inflation for our consumers would otherwise be too great. This is my opinion.

I remain convinced that, learning from past experience, while we should continue to maintain the offer of 1.4 million tons as proposed by the Commission, nevertheless, if this offer is accepted we must ask those countries to accept commitments which are binding enough to ensure that we can depend on the supply of this quantity. If this quantity is not supplied, then this must immediately effect supply possibilities for the years to come. We shall then have to build up reserves and the like in order to safeguard our position.

I should also like to say to Mr Scott-Hopkins that I particularly regret that the English translation was not very good. The original Dutch text was excellent; the Danish translation was, I have been told, excellent. In any case I do not read all the translations forwarded to the Parliament. I am quite satisfied if the proposals are formulated as correctly as possible in the original language, i.e., Dutch.

Mr De Koning compared C sugar to potatoes and onions. Mr Laban intervened to give the right answer. I would be particularly sad if we had to impose obligations on C sugar producers. In the long term, sugar producers would be better advised to do as we have proposed rather than that we should be seen to be incapable of providing sugar regularly and at reasonable prices for our permanent customers—our own European consumers. It is also in the interests of European sugar-beet producers to have a reserve stock to provide for a difficult situation when we cannot depend on other suppliers. In the long run, this must have certain advantages for them in economic terms.

With reference to the motion for a resolution, I should like to state that we shall stand by our proposal on C sugar. In my opinion, it is dangerous suddenly to impose on producers a quota of the order of 165, 170 or 180. If this happened, any future international arrangement would be an illusion. On the other hand, it was my opinion that Parliament must give an assurance that the proportion of C sugar which we are 'appropriating' should receive the full A price. Any changes in the market position in the course of the year would not incur any risks for producers. I have already stated that no production levy is to be expected for B sugar. Is the rapporteur satisfied with these assurances? In my opinion, there is less difference of opinion between the rapporteur and the Committee on Agriculture and myself than there is on paper. I believe that, basically, our positions are especially close.

(Applause)

President. — Thank you, Mr Lardinois.

I call Mr Martens.

Mr Martens, rapporteur. — (NL) Mr President I believe that this exchange of views has been extremely useful. I have only a few observations to make.

I should like to say to Mr Scott-Hopkins that the figures contained in the report were forwarded to us by the Commission and I am therefore not in a position to show whether they are correct or not.

Most of all I wish to thank Mr Lardinois for his speech. If he had attended the meeting of the Committee on Agriculture we should, in my opinion, have had no problem in formulating an opinion which completely agreed with what he has said. I would point out that the first draft of the resolution was in fact more along these lines. We were mainly concerned with protecting supplies for the Community—on this we agreed—whilst in respect of prices for producers we believe that if the Commission needed the quota it would grant us the A price without further ado. If the Commission's representative had said the same as Mr Lardinois this evening, the present resolution would presumably not have been necessary. Our resolution is exceptionally clear. It calls for protection of sugar supplies without detriment to farmers' incomes. In order to achieve that object, I have proposed that Quota B be increased instead of providing price guarantees for Quota C.

Mr Lardinois has made four important points which I have noted as follows.

Martens

The first of these is that should he have to call on supplies from the C quota he will do this at the A price. This is what we asked for and therefore our request has been granted.

Secondly, he said that a portion should be reserved for the world market, a point which we find important, since we shall have to export sugar in future and we wish to retain our present customers. This point also gave us satisfaction.

Thirdly, he said that producers would be informed at an early date of the quantity of C sugar which he considers necessary for Community supplies. This is important, since it enables producers to conclude contracts covering the sugar which they are free to dispose of as they wish. The fourth point is that he does not believe that levies need be imposed on B sugar.

In fact we had asked no more than that. This is already, in spirit, the desired response to our resolution. Above all, the resolution is in accordance with what Mr Lardinois has in mind. I would therefore request him to agree to our resolution in the light of the interpretation which I have given to it. I believe that in the long term our objectives are identical.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, *Member of the Commission of the European Communities.* — *(NL)* Mr President, it is not difficult for me to accept the points just made by the rapporteur. If the resolution is interpreted in this way it is not necessary for me to object to its adoption. I would like to add that we hope to clarify the C-sugar problem as rapidly as possible. I must, however, make the reservation that for a proportion—perhaps one-third—such clarity will only be possible in the autumn. We should be able to take a decision and notify you of it before the summer on the quantities which we wish to remain free.

President. — I call Mr Laban.

Mr Laban. — *(NL)* Mr President, we have now discussed the Commission's proposal and the resolution by the Committee on Agriculture. There is no point in having a debate unless people are prepared to be flexible in their attitudes and listen to other people's arguments and allow themselves to be convinced by these arguments. Otherwise it would be better for us to vote without debating.

Mr Lardinois has convinced me that the Commission's proposal, in his interpretation, represents the best policy for ensuring Community sugar supplies. I should like to explain here that I do not believe the colourful story about the great risk incurred by producers of C sugar in the past. They are said to have produced at a loss and now that world market prices are so high they are going to be punished by an embargo on exports.

Mr President, I should like to say that in all this no account at all is taken of the use of mixed prices for A, B and C sugar. C-sugar production has continued, and not at a loss. Of course, no one produces exclusively C sugar. By processing as much sugar-beet as possible, the factories could keep the price to a minimum. Furthermore, the land devoted to sugar cultivation in the EEC—except in Italy, where maize cultivation is more profitable—is extensive. There should, in my opinion, only be a further increase in the maximum quota when consultation has been held with the cane-sugar producing countries. If they are not ready to guarantee the supply of 1.4 million tons, the matter is, as far as I am concerned, once again wide open. The Commissioner also promised guarantees of good prices for C sugar which cannot be exported.

The result of all this should be the rejection of the motion for a resolution contained in the Martens report. However, Mr Martens agrees with the Commissioner's speech made today. I would certainly not like to run the risk of no opinion being forthcoming from the Parliament. Therefore I shall abstain from voting.

President. — I call Mr Vetrone.

Mr Vetrone. — *(I)* I am really surprised by the conclusion that Mr Laban has reached. He adheres to the interpretation of the document explained by the Commissioner and, though he is the vice-chairman of the Committee on Agriculture, suggests voting against the resolution. This seems absurd to me. Mr Laban, I do not understand how you could have adopted such a position.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote. The resolution is adopted.¹

I call Mr Scott-Hopkins on a point of procedure.

Mr Scott-Hopkins. — It would be for the House's convenience if the Oral Question put

¹ OJ No C 55, 13. 5. 1974.

Scott-Hopkins

down by Mr Gibbons were combined with my Oral Question. Perhaps we could have a short debate on the agricultural issues included in both questions at the same time. They could be combined quite easily as questions were combined this morning. I suggest this be done now.

President. — Any suggestion which might simplify and speed up the proceedings is welcome.

I call Mr Houdet.

Mr Houdet, Chairman of the Committee on Agriculture. — (F) Mr President, I do not want to take issue either with the texts or with the intentions of those who drafted the two oral questions. Since it is late, it would clearly be preferable to keep the discussion as short as possible.

But if I understand these two questions correctly, they are very different.

The question by Mr Scott-Hopkins and members of the Conservative Group aims at reopening afresh the discussion we had before the Council of Ministers' decision on agricultural prices and, incidentally, concerns the 'Guarantee' section of the EAGGF. The question by Mr Gibbons and his friends, on the other hand, concerns the 'Guidance' section of the EAGGF. These are two quite different matters from the financial point of view, and I think it is difficult to link them. If however, Mr Gibbons and Mr Scott-Hopkins agree that they are asking the same question, I agree that they can be dealt with together. But Mr Scott-Hopkins clearly said that this was basically a new agricultural debate which was being opened. This afternoon, when the Chamber rejected the request for consideration by urgent procedure of the meat problem, submitted by Mr Vetrone and myself, Mr Scott-Hopkins said there would be an agricultural debate this evening and that the question of meat could be taken up again then.

If we begin an agricultural debate at this hour of the day, I think we shall be up all night.

I had thought, in fact, that Mr Scott-Hopkins' question simply concerned the agricultural prices laid down by the Council on 21 March. I was pleased to note this, for in March—when I could not attend for reasons you well know—there was a long debate here on the Commission's proposals on agricultural prices. Subsequently, however, the Council of Ministers amended these proposals and laid down new prices, as you are aware.

Immediately after this Council decision, Mr Lardinois, whom I should here like to thank for his regular attendance at the Committee on

Agriculture's meetings, explained these prices before the committee and answered our questions. However, Mr Scott-Hopkins had rightly said at the time that the question was being discussed before a select audience and that it would be preferable for Mr Lardinois to deal with it in plenary sitting.

I quite agree, but there are fourteen of us here, i.e., we are an even more select audience than the Committee on Agriculture. Also, I wonder whether it is worth reopening this question tonight, before a small audience, when in fact it is a very pertinent matter, of interest to all Members of this Parliament, particularly those who do not belong to the Committee on Agriculture.

President. — I must point out that anyone asking to speak on a point of procedure should not use the opportunity to launch a major debate on the matter.

I should like to ask whether Mr Gibbons has any observations on the proposal that the two questions be taken together...

Mr Scott-Hopkins. — I was merely trying to help the House.

President. — I call Mr Gibbons.

Mr Gibbons. — I do not want to hold up the House either, but I do not understand the procedure of imposing one question upon another, especially when they are unrelated. According to the procedure to which I am accustomed, the questioner and the person who replies stick strictly to the subject in the question. What procedure might be adopted by the House when dealing with two unrelated questions taken simultaneously I cannot say. I do not wish to be difficult. If this suits the convenience of the House I accept its opinion, but it seems to me to be a strange practice.

President. — It is not a question of introducing a practice at all. A suggestion has been made by one Member, and it is a matter of courtesy to ask another Member who has put a corresponding question.

12. *Oral Question, with debate: Guidance Section of the EAGGF*

President. — The next item on the agenda is the Oral Question, with debate, put by Mr Gibbons, Mr Herbert, Mr Lenihan, Mr Liogier and Mr Rivierez to the Commission of the Euro-

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pean Communities on the Guidance Section of the EAGGF (Doc. 56/74) and worded as follows:

Considering that the purpose of the Guidance Section of the EAGGF is to develop the production potential of agriculture within the Community in a manner that best meets the Community's requirements, especially with regard to red meat, could the Commission state what the criteria are by which the Guidance Section of the EAGGF is divided among applicants from Member States?

I remind the House that, according to the decision adopted last Monday, speaking-time is limited to 10 minutes for the speaker on behalf of the authors of the question and to 5 minutes for other speakers. For the rest, the provisions of Rule 47(3) of the Rules of Procedure apply.

I call Mr Gibbons to speak to the question.

Mr Gibbons. — My question seeks to establish the methods by which the Guidance Section of EAGGF is allocated and the criteria that are observed by the Commission in this allocation. I was moved to put down this question because of persistent Press reports to the effect that the administrative wing of the Commission had already determined certain allocations to be made and that these figures, on the face of them, appeared to be reasonably equitable, but that at some stage thereafter they were drastically adjusted. That is what the reports say. Everything that I say on this question must be understood in the light of these press reports. I shall presently ask the Commissioner to tell us whether the reports are true. I speak on the assumption that they are.

I did not lightly make the decision to speak, but I recognize that some of the journals in which these reports appeared are very influential. The story was subsequently taken up by other newspapers from that source or possibly from the original source.

A remarkable feature of these reported changes in the allocations of the EAGGF Guidance Fund is that there has been a dramatic increase in the allocations made to Holland and Germany and, just as remarkably, there has been a striking reduction in the allocations made to the Republic of Ireland, France and Denmark. It is remarkable because these three countries are notably big meat producers within the Community. As the House knows, the Community suffers from a deficiency in red meat.

Mr Lardinois, Member of the Commission of the European Communities. — Since when?

Mr Gibbons. — If the Commissioner wants to heckle me I am ready. I am one of the roughest

men you want to take on. I can play it according to the rules. I find it difficult to understand the Commissioner's interjection when it is remembered that almost 1 million tons of third-country frozen meat were imported by the Community. At the same time, the Commissioner, by way of an interjection—almost by way of heckling—inquires since when we have suffered from a deficiency.

I was imploring the Commissioner, even before I came into the House, to take notice of the fact that we have the capacity to produce a great deal more of our requirements without importations from cheap-labour countries like the South American countries or state-controlled economies like the Republic of China, if we cared to be serious and sincere about the provisions of the Treaty of Rome regarding Community preference.

I wish to assure the Commissioner and Parliament that the confidence with which the people of my country by referendum recommended that we should enter the Community has been very sadly shaken.

We have just been talking about sugar. We have seen the pressure of the cheap-food lobby on such sugar producers. We have seen the lists of the big manufacturers of the United Kingdom. In this regard also, the small producers of the Community are being put in a dubious position. I wish to tell Parliament with some regret that the confidence with which we entered Europe is beginning to get a little frayed round the edges.

We want an assurance from the Commissioner that the interests of the producers of the Community will be at least equal to those of their competitors from outside.

It is all very fine for the Socialists to talk about providing cheap food for the industrial workers from the manufacturing areas of the Community. They should remember the source of this cheap food. They should remember the source of Caribbean sugar and think of the conditions of the workers of the Caribbean who produce that sugar. Similarly they should think of the conditions of the workers who produce cattle in the South American countries before they proclaim themselves the protectors of the poor and down-trodden of the Community and the world. Their sincerity is pretty transparent.

Again I refer to the strange alterations that were made in the allocations to the different countries of the Community. I find that after the revision Denmark is being allocated 4 million units of account whereas the Netherlands is being allocated 11 million u.a. It is quite notice-

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able and remarkable that the agricultures of the two countries are very similar. They are similar to a very high degree in their efficiency; they are similar in volume of production; and they are similar in the numbers of people employed in agriculture. Yet we find this extraordinary imbalance. We find the most efficient agricultural country in the world, Holland, having an allocation of 11 million u.a. whilst my own country has the greatest potential for development, especially of red beef, to which I have referred. Holland receives almost double the allocation that Ireland gets. I simply do not understand it. I suspect it is unjust.

I remind the Commissioner again that all my remarks are based on the assumption that the stories about which I am talking are true.

Is it not true that the Commission has no statutory power to intervene in the administration of the Fund and that the Agricultural Director-General is responsible for the division of the Fund? Therefore, in the end the final decision rests with him because it is physically impossible for the other members of the Commission to examine this at all.

I have heard it contended that there are no such things as 'quotas'. We have had long and, I am afraid, futile discussions in Parliament about the allocation of the Regional Fund. They have been abortive. The very notion that there were quotas was vigorously and vehemently denied, but it must be obvious that there have to be quotas. It is the criteria by which these quotas are arrived at that I am attempting to ascertain, because they are not readily recognizable from the revised figures about which I have been talking.

I have said that there is considerable *malaise* among producers, especially beet producers, arising out of these reports. This is a reality, whether the reports are true or not. Producers' incomes—meat producers and others, including sugar producers—have been eroded by policies which effectively deprive them of their standard of living, which actually depress their incomes, and at the same time they are always confronted by massive importations from abroad.

If there is no substance in these reports, I hope that the Commissioner will accept that I put down this question in good faith, and I will at least have afforded him the opportunity to put the record straight.

One last point. I believe that the thinking behind the Commission's method of allocation is gravely wrong, that it seems to treat the old Six and the new Three as separate entities. In allocating 30 million u.a. to the new Three and 140 mil-

lion u.a. to the old Six, you are effectively creating two agricultural communities. We do not want that. We reject that approach. We should think of ourselves not as a Six and a Three but as an entity of Nine. I want the Commissioner to tell the House what decisions have been made and to assure us that the allocation will be made on the basis of needs and of justice.

President. — I call Mr Lardinois.

Mr Lardinois, *member of the Commission of the European Communities.* — (NL) Mr President, I should like first to say how pleased I am that we do not have to hold our debates on the basis of press reports.

When dealing with such matters as financial allocations to the different countries, which has been such a central issue since the enlargement of the Community, there is nothing I loathe more than debates on the basis of such reports. And I think that I can deal with this question and provide a reasonable answer without going into too much detail.

I should first like to say that the amount available to us in the agricultural guidance fund is some 350 million units of account, of which 160 million was spent in 1973 on individual projects. The remainder was set aside for the Community structural policy in form of Community projects. Most specific allocations were made to individual countries for these projects, which were launched for the first time in 1973.

Everyone who satisfies these necessary criteria is taken into consideration for grants from the funds intended for Community projects. These include the special measures taken to encourage the production of beef. There is no ceiling in this sector and no specific allocations to individual Member States. At the moment, about half of 170 million units of account is still subject to allocation, but I hope not for long. This amount consists of 150 million units of account intended for the old Six—this was already agreed to some time ago—and 20 million units of account for the three new Member States. During the negotiations on accession, the amount of the structural fund was increased by 14 per cent. The three new Member States together contributed this 14 per cent. If no changes are made, the 170 million units of account for general projects will be divided into 150 million units of account for the new Member States.

I have asked my staff to find a solution, in the event of more applications' being submitted

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for these individual projects than there is money available. My staff have come up with a number of alternative solutions, on the basis of which certain programmes are at the moment being elaborated. At the moment no decisions have yet been taken, but once all the proposals are ready the Commission in its entirety will decide. My staff obviously have to work on the basis of hypotheses, of which I can perhaps reveal a few details. The working hypothesis adopted was that the amount of 20 million units of account, which is the key amount quoted in the Treaty of Accession, is insufficient. This means that the amounts set aside for the old Six Member States must be reduced. How much they are to be reduced by depends on the quality of the projects put forward for the various Member States. This is an important factor. I think it would be unwise to deprive one of the Six more than another, as this would endanger the equilibrium established over a period of 10 years between the original Member States. This in turn would give rise to difficulties at a time when these projects are still in operation, and are likely to be so for the next few years. In my opinion, these problems are so critical and politically so explosive that the last thing we need is to dread further difficulties in this particular sector.

President. — I call Mr Gibbons.

Mr Gibbons. — I thank the Commissioner for his reply. As he recalled, this strange dichotomy to which I referred earlier still exists—the tendency to treat the Six and Three as different entities. The Commissioner spoke of the key which was always satisfactory in the original Six for over 10 years. I wonder whether it can seriously be contended that this key will open the new door. The Community of Nine is a different thing from the Community of Six.

I tell the Commissioner again that in putting down this question and in saying what I have said, I had no intention of seeking for my own country an allocation that was not right and just. I ask the Commissioner for an assurance that when the allocations are made they will be right and just.

I was pleased to hear the Commissioner say that no decision has yet been made. I understood him to say that the assurances which have appeared in newspaper reports are inaccurate. The Commissioner did not say so in so many words, but since he said that no decision had yet been made, I regard that as tantamount to the same thing. If I am wrong, no doubt he will correct me. Again I thank him for his reply.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I asked for the floor because I have serious objections to holding this type of debate in our Parliament. People read press reports which they do not take the trouble to check, although this would be easy, and at the end of the debate the Commission is asked to take the right and just decisions. There is no reason for Mr Gibbons to harbour any doubts in this respect.

In my opinion, we cannot continue to debate in this way in our Parliament. I therefore put it to Mr Gibbons that in future, before putting questions on the basis of press reports and then making what I consider somewhat insinuating remarks, he should verify his facts first. At the moment we have been debating for 45 minutes, only to reach the conclusion that Mr Gibbons has made a mistake. He might try to camouflage this by saying: 'I hope that the Commission will make the right and just decisions', but there is no reason to doubt this.

President. — I call Mr Gibbons.

Mr Gibbons. — Mr President, I apologize for intervening again, but you will understand that I am constrained to do so because of this extraordinary outburst from our Socialist friend. I tell my Socialist friends this: as I understand parliamentary democracy, Members are entitled to inquire about things about which they are anxious. Whatever our Socialist friends think, I am going to exercise that right.

Our friend who has just spoken suggested that I made certain rather nasty insinuations. I deny that. I was seeking information. I assert my right to seek information. I was speaking to the question. I was careful to preface my remark by saying that if these reports, which have undoubtedly caused real anxiety, were untrue, then everything was all right. I was affording the Commissioner a means by which these anxieties caused by the reports could be eased and removed. If my Socialist friends do not like that, I suggest they should lump it.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, it is a fact that the Commission still has to decide on all these projects on the basis of my final proposals. The difference for 1973 between the Six and the Three stems from the fact that the basic key used on accession of the Three was 12.5 per cent. At the time, the funds of the EAGGF guidance section were increased from 295 million to 325 million units of account, to include the share of the Three. I have already

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mentioned that half this amount—the half which is in fact being used for these projects—will be insufficient for the first year, partly in view of the quality of the projects put forward by the three new Member States. This situation can only be remedied at the expense of the original six Member States, and I feel that the best way of doing this is to reduce proportionally the allocations made to the old Six.

Of course, the measures taken by us can be criticized. If Members of Parliament wish to ask questions on these matters, they may do so. However, we are dealing here with a decision of the Commission and not of a director-general or a department. The Commission is responsible, and if questions are asked I shall answer on behalf of the Commission.

Obviously, the matter is a rather tricky one, since it involves the funds of individual undertakings. I agree with Mr Broeks that we must be especially careful and not pay too much attention to the insinuations of which some press publications are so fond. Perhaps I can reassure Mr Gibbons to some extent with the following statement. If I were to apply the same allocation criteria as those used for the last ten years in the old Community, Ireland's allocation would then be between 1 and 1.5 million units of account. This must under no circumstances be allowed to happen.

President. — Thank you, Mr Lardinois.

Does anyone else wish to speak?

The debate is closed.

*13. Oral Question, with debate:
Price increases in agriculture*

President. — The next item on the agenda is the Oral Question, with debate, put by Mr Jakobsen, Mr Brewis, Mr John Hill, Lord St Oswald and Mr Scott-Hopkins to the Commission of the European Communities (Doc. 57/74) and worded as follows:

Subject: Price increase in agriculture.

The Commission is asked if they are satisfied that the farm price increases announced on Saturday 23 March 1974 are sufficient on the one hand to increase the levels of efficient production within the EEC and on the other hand to restrain the increase in consumer prices without distorting the market by use of EAGGF Guidance Section funds and national subsidies.

I remind the House that the same conditions apply here as to the question we have just debated.

I call Mr Scott-Hopkins to speak to the question for not more than 10 minutes.

Mr Scott-Hopkins. — I have no objection to having the debate at this time. I hope that the Commissioner has not. It is a pity that we have to have this debate so late, and that it could not take place on Friday.

My purpose in asking the question has nothing to do with the Commission's proposal which they put to the Council. It is to ask the Commissioner for his views on the results that came from the Council meeting on 23 March, when decisions were taken concerning the forward year 1974-75—in terms of the levels of production and the price of consumption. The Commissioner is as responsible for the level of the prices to the consumer as he is for the return to the farmer. It has been the avowed intention of the Commission—indeed, the intention of all of us—to see that there is the maximum efficiency of production from the farms in the Community. One has more experience and knowledge of the level of production and the return of farms within one's own country—myself in the United Kingdom and yourself, Mr President, in Denmark. It is on this that one has to base one's views.

I am asking the Commissioner whether he thinks that the result that the Council arrived at will achieve the object of raising efficient production to the level of demand within the Community, so that the balance of payments of the Community does not suffer; indeed, so that it improves through our efforts. I have grave doubts whether that will be the case.

The second part of the question asks whether the consumer will get any benefit at all from what happened on 23 March. I hope he will, and that the Commissioner can assure us that that is so.

I am not worried about what is happening today, but I am worried about what will happen this autumn. Taking the meat section, which Mr Gibbons mentioned briefly in connection with his question, in my country the level of return to the farmer is sliding right down. He is getting a diminishing return, but at the same time I find that a certain amount of meat is going into intervention in some countries—not in mine—and at the same time animals are being killed which should be used for the basic breeding stock in the coming years. This worries me enormously, if we are indeed destroying the breeding stock for the future, because in that case it will not be long before the Community and individual member countries experience extraordinarily great difficulties while consumers in those countries find prices rocketing because of the scarcity of the product.

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In this respect I refer to beef stock. I am worried about what is happening in my country. I ask what the Commissioner's view is about the future prospect for the beef farmer. It is too late for me to go into details, but the Commissioner knows as well as I do that the bottom has been taken out of the United Kingdom market and prices have been plunging down, although costs remain high. There is a possibility that they may go higher because of increased food cost prices and other factors.

Shall we have heifers in calf or out of calf being put to slaughter, so that the breeding herd falls in numbers? I believe that the same thing is happening elsewhere.

Another thing worries me about the pig cycle, which is a very rapid one. One can switch from surplus to scarcity with remarkable rapidity. It seems that the whole of the Community is moving into a position of scarcity because of the numbers of gilts and sows in pig which are being slaughtered at the moment. The result is that within 6 or 8 months there will be a shortage of this type of meat, particularly in my country. Is this the Commissioner's view? I have an awful feeling that it is.

There is a strange aspect of the Council's decisions of 23 March, as a result of which my country is being allowed to subsidize the pig market, as are our Irish friends, but, whereas we are paying for it out of our national funds, the Irish are allowed to draw on EAGGF funds. I cannot understand that strange dichotomy. This was announced in the United Kingdom House of Commons by my Minister. I should like to hear why that has happened.

Looking at the results of the meeting of 23 March, it seems to me that in cereals there is an average increase of 5 per cent in prices. One cannot help asking whether the Commission believes that sufficient resources have been devoted to this section or that even too many have been devoted to it. We hear talk about distortion all the time. The greatest distortion of all relates to the increased money compensation and the compensatory amount. For the United Kingdom the rise was 3.6 per cent in the price of beef. This has led to an increased compensatory amount for that product coming into the United Kingdom together with the monetary compensatory amount, which gives a vast advantage to producers from the other seven countries who wish to export to the United Kingdom. This has accelerated the decrease in the size of the herds throughout my country. I am worried about this. I hope that the Commissioner can relieve my anxieties that the result of the Council decision on 23 March will be, on the one hand, that we

shall run into scarcity of many products which are important to our consumers and farmers, and, on the other, that our farmers will get a diminishing return in the autumn of this year. That will be a grave consequence not only for their incomes but in terms of the level of supplies which should be available to our consumers, because those shortages will have to be met by our buying from the world market, though there is no cheap food to be had anywhere.

It seems that the consumer's interest has not been taken into account and that he will have to suffer from a shortage in home production so that he has to pay a high world price.

It seems to me that the Council were not taking the wisest decisions on 23 March. That is the burden of my question to the Commissioner.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission of the European Communities. — (NL) Mr President, my answer to the question proper will be brief and to the point: Yes!

I would point out, however, that this applies only in so far as the fixing of prices has a direct bearing on all these things. In our system there is no direct relation between the price increases which we grant for products in the form of guarantee prices, intervention prices and so on and the increase in the farmer's income. In the beef sector, the increase in our intervention prices by 12 per cent will probably affect the market price by only a few percent—and not even that all at once, but only over a certain period of time, i.e., once protection at the external frontiers for this product has been accordingly adjusted and also on condition that the intervention system can operate everywhere. We were, of course obliged to make a number of concessions at the express request of the British Government during the last price talks. From the point of view of achieving a balanced development of agricultural markets and equitable guarantees for producers in the future, we felt these concessions to be advisable exceptions. As a result of the express request made by one of the new Member States which is still in the initial stage and still operating under the terms of our accession protocol, we are moved by political considerations to permit this.

Every agreement we reach has aspects on which people's opinions differ. I always deplore exceptions, but in the past we have made certain exceptions for certain countries under certain conditions, and we shall continue to do so provided it is compatible with the Treaties. In my experience, technical solutions can be found

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more readily if we are prepared to help one another.

As far as the monetary compensatory amounts are concerned, Mr Scott-Hopkins is speaking to someone who has followed these problems right from the very start. In August 1969, I argued in the Council from 10 in the evening till 6 in the morning with the Ministers for Finance that the introduction of such a system might well one day lead to the collapse of the common agricultural market. But enough said on this point: we discussed it at length last year. At the time, Mr Scott-Hopkins wasn't entirely familiar with the problem, and I hope I was able to persuade him that there was no room for such arrangements in our system. The greater the instability of monetary developments, resulting on the agricultural market in levies and charges imposed at frontiers, the greater the pressure our entire system has to bear. This is certainly true of products such as beef, which cannot tolerate or absorb large-scale intervention. I can only say 'I told you', but in my present capacity this is insufficient. I can assure Mr Scott-Hopkins that in the coming weeks we shall do everything possible to relax the system somewhat, particularly as far as beef is concerned. To act at the moment would only be detrimental to the beef industry.

President. — Thank you, Mr Lardinois.

The debate is closed.

14. Agenda for the next sitting

President. — The next sitting will be held today, Thursday, 25 April 1974, with the following agenda:

10.30 a.m. and 3.00 p.m.

- Report by Lady Elles on the social situation in the Community in 1973;
- Report by Mr Härzschel on the principle of equal pay for men and women;
- Report by Miss Lulling on activities of the European Social Fund in the financial year 1972;
- Report by Mr Laudrin on application of the principle of the 40-hour week;
- Interim report by Mr Aigner on the annual accounts of the European Parliament for 1973;
- Report by Mr Della Briotta on medicinal products (simplified consultation procedure).

The sitting is closed.

(The sitting was closed at 12.30 a.m.)

SITTING OF THURSDAY, 25 APRIL 1974

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IN THE CHAIR: MR BERKHOUWER

President

(The sitting was opened at 10.35 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. *Documents received*

President. — I have received the following reports from the committees:

— Report by Mr Giovanni Bersani on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission

President

of the European Communities to the Council for a preliminary programme of the European Community on consumer information and protection (Doc. 64/74);

- Interim report by Mr Heinrich Aigner on behalf of the Committee on Budgets on the draft annual accounts of the European Parliament for the financial year 1973 (1 January — 31 December) — (Doc. 66/74);
- Supplementary report by Mr Peter Brugger on behalf of the Legal Affairs Committee on the proposal from the Commission of the European Communities to the Council for a regulation on the statute for a European company (Doc. 67/74);
- Report by Mr Lothar Krall on behalf of the Committee on Economic and Monetary Affairs on
 - I. the proposal from the Commission of the European Communities to the Council for a directive on aid to the shipbuilding industry, and
 - II. the Memorandum from the Commission of the European Communities on procedures for action in the shipbuilding industry (Doc. 68/74).

3. Social situation in the Community in 1973

President. — The next item is a debate on the report drawn up by Lady Elles on behalf of the Committee on Social Affairs and Employment on the report from the Commission of the European Communities on the development of the social situation in the Community in 1973 (Doc. 51/74).

I call Lady Elles, who has asked to present her report.

Lady Elles, rapporteur. — Thank you, Mr President. Yesterday in this Assembly there was a lot of criticism concerning the failure of the institutions of the Community to implement, elaborate or, indeed, formulate any policies at the European level for the benefit of the peoples of the Community. Today it is all the more important that we should have the opportunity in this Assembly to refer and draw attention to this modest and unassuming-looking document entitled 'Report on the development of the social situation in the Community in 1973'. It is no exaggeration to say that it is one of the most significant documents in the social history of Europe. This may sound an exaggeration, but in particular the first 25 pages of this document set out for the first time

a social policy designed to meet the needs of the day in Western Europe, a policy drawn up as a result of the Paris Summit conference in October 1972.

For the first time it is not only the identification of priorities that has been effected, which are mentioned in the motion for a resolution before this Assembly, but also a clear statement of the social objects of the policy which are common and acceptable to all the nine Member States of the Community. I repeat what they are for the benefit of those Members who have not had an opportunity to read the report: full and better employment, an improvement of working and living conditions, and greater participation of the social partners in the economic and social decisions of the Community.

Further significance is added by the fact that this policy has been accepted by the Council of Ministers for implementation—and this point must be emphasized—in particular in relation to the future application of the various stages of the policy as they are produced by the Commission.

I refer in particular to page 18 of the report and I quote:

'The Council of Ministers has undertaken to act on each Commission proposal necessary to implement each part of the programme within five months of the normal consultation procedures with the European Parliament and the Economic and Social Committee, or, if such consultations have not taken place, at the latest nine months from the date of transmission of the proposals to the Council.'

I have taken the opportunity to read that paragraph so that in the future these proposals from the Commission cannot stay in cold storage for any greater length of time than either the five months in the one case or nine months in the other.

These proposals from the Commission must be implemented. These factors alone give me much pleasure, on behalf of the Committee on Social Affairs and Employment, to congratulate Dr Hillery and his staff on producing a social action programme which we shall hope to see implemented over the next three years.

The social situation as we know it has generally reflected the success or the failure, or a mixture of both, of these elements in the economic, financial and industrial policy of the Community. The very image created by the economic and financial situation in the European Communities has been dealt with only at the national level by Member States in piecemeal fashion. Common problems arising from the

Lady Elles

rapid economic, scientific and technological developments have confronted all Member States. It is equally clear from the report before us that the measures taken in the Member States have not been completely effective in dealing with the many problems created by these developments. The social situation reflects not only the difficulties within each Member State but also a failure at Community level to ratify the recommendations of Parliament on the size of the Regional Development Fund, which, while not being a total solution to the many problems, could at least contribute to removing the imbalance throughout the Community in the employment and social fields. This point is mentioned in our resolution.

The reforms of social policy envisaged are divided into three stages and give priority to problems which face all the Member States of the Community. In particular, I should like to refer to one which faces all of us on a vast scale, far greater than I think is imagined by the majority of the Members of this Assembly: I refer to the question of the disabled and handicapped, physically and mentally. The numbers are believed to be somewhere in the region of 12 million to 15 million people in this category who need help of some kind or another. Indeed, the true figures cannot be revealed by the available statistics. Take, for instance, employment and insurance figures. These do not cover the many thousands of people who are at home and cannot be assessed by any present statistical means. My Committee therefore particularly welcomed the extension of the European Social Fund under Article 4 to provide for the needs of these disabled people.

In this connection I wish to mention the first item in the first stage of the Social Action Programme, which is a modest but practical and realizable step which will contribute to the social and economic value and, in particular, to the moral value of those disabled individuals who have not been able to go to work so far or have had to stop work because of their disability and will now have the possibility of being trained or retrained to take up work in normal working conditions and lead a normal day-to-day life in the community in which they live.

On this aspect I think again that the Commission are to be congratulated and their policy is to be welcomed.

The implementation of the stated objective of fuller and better employment involves major considerations connected with the relationship between the various sides of industry, whether nationalized or private. I refer in particular to

the protection of employees from economic policies, the better ordering of methods of work within factories, the problems of job satisfaction, better provisions for the welfare of employees and their dependants, greater participation in the decision-making process of the organizations in which they work and a greater share in the benefits and profits of their work.

However, all these factors will be irrelevant if employment is not available on the one hand or if the employee is inadequately trained or has no opportunity to be appropriately trained to fill the vacancies available. Hence the immense importance of vocational training.

The report reveals throughout the lack of skilled and trained workers at the same time as the lack of unskilled or manual workers. As a result of these two lacks, there is an increasing need for and consequent flow of migrant workers from third countries to fill the gaps created by the development of an industrial society. This policy is creating a drain on the manpower which is required in the less developed countries if they are to reach a stage of industrial development as we know it in the West.

It is in the light of employment needs that I draw attention to the figures in the social indicators, assuming them to be correct, of the result of the decline in the birth rate in all West European countries since about 1964. The proportion of the work force to the total population in 1958 was 65.1 per cent. By 1972 it had declined to 63.3 per cent. The birth rate is going down, so that live births per 1,000 in 1958 were 17.5 per cent and in 1972, 14.9 per cent. Indeed, if the present decline continues and we have the same kind of social and family policies throughout the Member States of the Community, it can roughly be said that we are contributing to a form of European genocide.

Briefly, the social situation presents many problems, but none is insoluble provided the political will is there, not only within the institutions of the European Community but among the Europeans themselves, and, indeed, ourselves.

We therefore include in the resolution considerations which can help to achieve the objectives of the Community's social policy and so contribute to the implementation of Article 2 of the Treaty, which envisages better living, working and social conditions for all members of the population within our Member States.

(Applause)

President. — I call Mr Van der Gun on behalf of the Christian-Democratic Group.

Mr Van der Gun. — (NL) Mr President, I should first like to thank Lady Elles for the report she has drawn up. Also I must add at once that my views on the matter are rather different. Lady Elles has just described the social report as one of the most important in the history of the Community. I agree in part with her insofar as it concerns the implementation of a social action programme. That is indeed a matter of fundamental importance as are the priorities set and the schedule for implementation on which the Commission and Council have reached agreement. For that we are particularly grateful to the Commission.

But I do not altogether agree with Lady Elles's approach. I have the impression that, in examining the social report, we should speak rather of a report on the development of the social situation in the individual Member States rather than of a genuine European policy at this point in time. This is in itself not a criticism of the Commission but rather a consequence of the fact that the Commission does not yet have sufficient powers to pursue a general social and economic policy.

We must start from the assumption that the powers are not in existence and that it is, therefore, in practice difficult for this report to be anything other than a general description of the social developments in the nine Member States.

One of the points to which I intend to give special—if brief—attention is the problem of employment, with reference to which Lady Elles rightly says in her report that developments in this area have been noted with some disappointment.

It would be too easy to say that the problems have been caused solely or greatly heightened by the energy crisis. Of course this crisis has had a definite influence on unemployment figures, especially in the last month of the year to which the report refers, but I believe that we are mainly confronted with structural changes, not only in regard to technical developments and the relationship between technical progress and the energy crisis, but also as a consequence of the—in itself satisfactory—constant increase in the periods of schooling and increasingly better and longer occupational training.

Combining all these factors, it is clear that we are facing a structural change in employment. The number of longterm unemployed is increasing sharply. This points to a process of adaptation and change which has already begun. Older workers are another important category. In Europe it is really difficult to

find appropriate and lasting employment opportunities for them. Special attention should be given to these matters and also to the development possibilities of the European Social Fund which, in view of its new tasks, could do very important work here. I would ask the Commission to undertake the necessary information activities. It can still frequently be noted that Governments and national parliaments are insufficiently informed of the possibilities offered by the European Social Fund at present.

I should like to make just one observation on the drama of the regional fund. This instrument could play an important part in the development and fairer distribution of employment. After discussions lasting for a year, the Council has still not taken a final decision. There is an urgent need for a well-equipped European regional fund.

We are also living in a time of galloping inflation. In her good report, Lady Elles urges the Member States' governments to convince the social partners of the need to harmonize working conditions. I do not like the reference to inflation, for I believe that, harmonious working conditions are always of fundamental importance. We are doing no good by creating the impression that a satisfactory social policy and satisfactory labour relations between employers and employed only become urgent when inflation is rapid. I know that Lady Elles does not mean it like this—as was clear during the discussion in the Committee on Social Affairs and Employment—but the wording does create this impression. An appeal to the governments and social partners to combat inflation as far as possible can only be made against the background of the important problems which play a part here, such as the distribution of incomes, economic powers relationships and so on. These matters cannot be made subordinate to the fight against inflation; in my opinion, that is not even necessary. We agree that, in the context of incomes policy, special attention must be given to the lowest paid workers. We agree with Lady Elles's request to the Commission to examine this problem in greater detail.

Finally, I wish to put two specific questions to the Commission. The first relates to the development of the joint committees. These are of great importance with an eye to future developments. I have the impression that the number of joint committees in Europe is still very limited. But many new committees are being set up. We should like information on the problem of social planning on which work has now been in progress for several years. It would be desirable for the Parliament to

Van der Gun

be given an idea of the actual situation in this area at present.

(Applause)

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

Mr Wieldraaijer. — (NL) Mr President, following on from what my colleague, Mr Van der Gun, has said, I should like to begin by expressing my appreciation of the work done by the European Commission and in particular by Mr Hillery in the social area. I endorse his remark that, however great our appreciation of social policy, we must inevitably note that the European Commission has too few powers in the sphere of socio-economic policy. I do not wish to dwell on this point; Mr Van der Gun has already made it.

Unfortunately, I cannot support the content of Lady Elles's report, not because it contains no observations with which I agree, but because there is a number of points in it which lead us to have serious reservations about the report and resolution. I shall return to this in a moment.

On behalf of the Socialist Group, I wish to make four points relating to the report concerning employment opportunities and labour market policy, the development of worker participation, the fight against inflation, and in connection with the latter aspect, para. 7 of the resolution and the, to my mind, extremely dubious contents of para. 9 of the resolution.

On the first point, the Committee, in its report, asserts that the problem of employment is increasingly coming to assume a Community dimension. Developments of commercial policy, international monetary developments, prospects of monetary integration and the Community regional policy which we all want, are factors with immediate bearing on employment. This is stated in the report, and I agree. In addition, developments in the last few months of 1973 and in early 1974 have once again clearly shown the influence of energy supplies on employment in the Member States. Moreover—and I think this too is a matter confronting us as a Community—the rise in raw material prices and the slow-down in world trade which both threaten employment in the Member States, must also be considered. If it is true that these are Community problems—as we believe they are—a Community policy and appropriate instruments are necessary. Well, here we are bound to observe that the Community has not done enough. Let me give a few examples:

- a. A regional development fund has not yet been set up, so that an important instrument for a Community employment policy is lacking;
- b. There is still no active Community labour market policy, coordinated by a European labour office;
- c. The reaction of the Community institutions to the threat to employment by the energy crises and the increase in raw material prices is quite disappointing;
- d. Because of its limited resources, the European Social Fund cannot react adequately and quickly enough to threats to employment.

As far as I know, the Standing Committee on employment and labour market questions has not met. A tripartite conference on the consequences of the energy crisis which was to have been held in May will probably not be convened before the Summer recess. There is no sign of efforts on the part of the European Commission—or if it has made any efforts there are no signs of success—in order to harmonize or coordinate the measures taken by the Member States in the area of employment. I do not lay all the blame for the lack of coordination and indeed of any approach to this matter at the door of the European Commission. The Council also bears a great responsibility. I would however stress that the Community does not react quickly and adequately in the area of employment. In this connection I would ask the Commissioner what he intends to do to adopt a different approach—if he agrees with me.

My second point concerns the development of participation. In 1973, the Community made no progress here. Parliament itself is to blame in part. For a long time various proposals have been awaiting consideration such as the third and fifth directives on companies and the proposals on the European limited company. I would strongly urge today that steps should be taken to ensure that these proposals are dealt with by the European Parliament before the Summer recess. Talk about a social policy and a social Europe is only meaningful if Parliament makes sure that something is done about participation and actually considers the proposals on this matter.

Thirdly, a comment on inflation and, in this connection, on the contents of paragraph 7 of Lady Elles's motion for resolution. I shall not dwell on the unpleasant consequences of inflation which are sufficiently well known. Nor shall I speak about the need to fight inflation on which we all agree.

Wieldraaijer

It seems to me inappropriate that we in the Parliament should be asking the European Commission to convince employers and employees of the need for harmonious labour relations as a means of overcoming inflation. Firstly, there is no single cause of inflation. There is a number of different causes. Some experts say that it is the investment drift of multi-national undertakings which fans the flames of inflation. Others refer to wage increases which outstrip productivity as a cause. Still others say that the various categories of expenditure, such as investment, private consumption and public spending, demands more than the national product can supply so that this too encourages inflation. There are other causes, but to say that harmonious labour relations are so necessary in this connection is going too far, to my mind.

We feel that, if inflation is to be encountered effectively, what is needed both in the short and long term is control of industrial investment, of private consumption and of public spending. If the authorities want private consumption to be moderated, the only answer is an incomes policy which begins by curtailing high incomes and raises the lowest incomes. If the public authorities want an incomes policy of that kind, they must now do something about it. Arguments may then arise and harmonious relations between social partners will be difficult to achieve. Let me put another question. When we call for harmonious relations, does this mean that we wish to maintain the present distribution of power in the economic process, under which a great many decisions are taken by very few people? Have we the illusion that changes in this distribution will be brought about without argument? I have so many doubts about Para. 7 that I have tabled an amendment to it. I am glad that Mr Van der Gun pointed out again that, in his view, the fight against inflation should be viewed mainly against the background of a change in economic power relations and a just incomes policy.

I believe this is highlighted in the proposed amendments I have tabled to Para. 7.

To avoid any misunderstanding, I should also like to say that I am not interested in a fight for its own sake. I merely say that changes in the present distribution of incomes and power cannot be brought about without a struggle and that it is too easy to speak of countering inflation through harmonious relations between the social partners. That seems to me more an argument of moral re-armament than genuine socialist policy.

Finally, I should like to look closely at Para. 9 of the resolution. It is a very strange paragraph, which is supported by a comment in Lady Elles's report. Para. 9 says that the fall in the birth rate is disturbing. While many people in this world are expressing their extreme anxiety at the rapid exponential growth of the world population, the European Parliament is being asked to describe the fall in the birth rate as disturbing. It may seem foolish to dwell on this and, if it were only a question of a statement by Lady Elles, I would give the matter no further attention, but since a narrow majority in the Committee on Social Affairs and Employment rejected a proposal to delete Para. 9, we must consider the matter. I would not like this Parliament to make itself a laughing stock before the public. A reading of the explanatory statement to this paragraph of the motion for a resolution leaves us speechless.

What does it say?

'Moreover, your committee considers the fall in the birth rate (live births per thousand inhabitants) extremely alarming, as this is bound to lead to a greater dependence of the host countries on the employment of migrant workers.'

I have never come across such an original solution to the problem. If we have another ten million genuine EEC citizens, we shall not need migrant workers! Let us then all be delighted because the Conservatives solved this problem. The fall in the number of births must be stopped and, indeed, reversed; contraceptives must be forbidden and so on in order to increase the number of births in Europe.

The United Nations birth control programmes are only intended for India and Pakistan, Europeans have no responsibility for the increase in the world population.

I find it very difficult to see how a position like this can be reached. What do the Conservatives actually want of the EEC? And do they want to do something about the number of births as a matter of policy?

Do they want to reverse the decline as a matter of policy? I hope that the European Parliament will throw out this nonsense as well as the imaginary world on which it is all based.

It would be interesting to hear the views of the European Commission on this paragraph. Especially in the light of the answer given by the Commission on 12 February 1974 to the question put by my political colleague, Mr Eisma, on 29 November 1973 as follows:

Wieldraaijer

Subject: Population trends in Europe.

1. Does the Commission share my view that the constant growth of the population in Europe will have a detrimental influence on living conditions, and if not, why not?
2. Would the Commission describe an annual population growth of the twenty-nine countries concerned which was 0.9% in the period 1950/1960, and rose to 1% in the next decade as a (very slight) change?
3. Would the Commission describe the fall in the growth figures in Poland from 1.9% to 1.5% as abrupt but still satisfactory?
4. Does the Commission not think that, if an increase in population growth in Austria from 0.2% to 0.4% is qualified as 'defeated stagnation' and fertility in France as 'satisfactory', this reflects an incorrect interpretation of the population growth?

The Commission's reply was as follows:

The Commission agrees with the representatives' views that the words used in the text referred to simplify the problem excessively by systematically equating population growth with progress.'

I feel that this reply was quite clear and I hope to hear the Commission's opinion on this Para. 9 of the resolution.

We have tabled an amendment seeking to delete Para 9. I hope that a majority in this Parliament will agree with us. If this paragraph remains in the motion for a resolution, the Socialist Group will be unable to approve a motion.

(Applause)

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

Mr Premoli. — (I) Mr President, Ladies and Gentlemen, I must admit that I am disappointed to discover that Lady Elles's report has been submitted for consideration and is being discussed in this House before I have had time to draw up an opinion pursuant to the instructions of the Committee on Public Health and the Environment.

Requiring the report on the social situation to have this opinion is not just an empty formality. Some prominent chapters of this report, in particular chapters 10 and 11, are devoted to sanitary protection and protection of the environment. I should like to point out that this treatment of our opinion on the report in question as superfluous simply illustrates the

general lack of appreciation of the work of the Committee on Public Health and the Environment whose responsibilities are being continually eroded. I do not want to list individual instances here but I should like to draw your attention to the most important example—the refusal to recognise our responsibility for the report on consumer protection.

I have a duty, on behalf of our chairman, Mr Della Briotta and the Committee on Public Health and the Environment as a whole, to ask why our committee was revived two years or so ago, if the sequel was simply to be continual encroachment on its responsibilities?

I must also point out that it seems all the more puzzling that we should be discussing Lady Elles's report today with urgency given that, when we discussed it in committee (as I am sure Lady Elles herself remembers), many members were absent. In view of the importance of the matter we are considering today, it might therefore have seemed advisable to go over the whole problem again, subjecting it to a more thorough airing of opinion.

This said, today I shall simply make a few remarks which I cannot leave unsaid and explain the amendments which I have just tabled on behalf of the Liberals and Allies Group and the Committee on Public Health and the Environment.

I was somewhat amazed by the observation made in paragraph 6 of Lady Elles's resolution, viz: 'the European Parliament welcomes the proposal so far made towards improvements in health and safety regulations in industry and emphasises the need for severe penalties in cases of negligence on the part of the employer'.

This favourable assessment of the steps taken to improve safety in industry is not shared by the committee which I represent. It seems to me that Lady Elles is being over-optimistic. Unfortunately, the number of accidents at work has not declined in either absolute or relative terms, as we might have been entitled to hope in a period such as ours, characterized by scientific ferment and intensive research. In any case, we are very far from the goals which, I have pleasure in pointing out, have been reached in the coal and steel sector under the encouragement of the ECSC high authority.

I therefore feel that my disappointment, embodied in an explicit amendment, at the lack of development in this essential sector is justified.

I understand that a recent article in the Times has made Lady Elles think again and probably convinced her of the need for greater strictness.

Premoli

I therefore sincerely hope that the rapporteur will be able to support this amendment given that she seems herself convinced that the provisions referred to in her report are not sufficiently severe. On the other hand, I give my unconditional approval to Lady Elles's suggestion that more drastic and severe penalties are needed for industries who are negligent in this field.

The Commission of the Communities should therefore increase its efforts and leave no stone unturned in the field of accident prevention even if this requires radical change in the general system of safety rules at present in force.

Another chapter which I should have liked to reconsider is the one dealing with ionizing radiations.

I cannot say often enough that, in this field, we must leave no stone unturned and waste no time since as the high cost of liquid fuel makes nuclear stations more and more competitive, our security measures are getting seriously left behind. Without wishing to be alarmist and talk about catastrophes, the Committee on Public Health and the Environment would like to draw your attention to the precautions required by the development of this expanding sector.

In talking of this matter, I should like to once more point out, as I did when discussing Mr Walz's report, that it is impossible to force an unwilling worker to work when the alert level of such radiation has been surpassed. On this previous occasion, the Commission seemed to be somewhat reticent and suffering from uncertainties on the matter. I hope that in the meantime every doubt has been dispelled.

I have most doubts about the implementation of the environmental programme. The ecological time table approved by the Commission in an official document (Official Journal CE/112) has been ignored from the very start and this lack of observance in practice is a source of concern to the members of the Committee on Public Health and the Environment. I shall confine myself to one example to make it clear what I mean. We regard the Rhine basin as a test case of the nine countries' will to restore our environment to health. The deadline laid down in the above document for introducing measures to effect this change, i.e. 31 March, has come and gone without any sign of the promised proposals.

Recently Commissioner Scarascia Mugnozza reaffirmed the Commission's commitment on this matter, I hope this means that it will soon

be possible to announce another immediate deadline for achieving this goal.

Our anxiety about these delays makes us sceptical about the symposiums organized by the Commission (in Karlsruhe, Paris) dealing with radio-active contamination of food-stuffs, pesticides etc. I do not wish to deny that they are both important and interesting but they should lead to practical conclusions.

At this point, I wonder if the Commission is able to reply in advance to Mr Jahn's written question on the results of the colloquy dealing with radio-active contamination of food-stuffs. There is a valid need for these symposiums and it is certainly a good idea to organize them but, if they are to be effective and convincing, the Commission of the Communities must not act only as the driving force behind original ideas but also, and more important, behind putting them into practice.

This explains my second amendment translating the proposals which have blossomed during these colloquys into practical action.

On my own behalf, I should like to express disagreement, and in this case it is the most profound disagreement, with Lady Elles's concern at the fall in the birth rate shown by the social indicators. In a world suffering from over-population and once more haunted by the spectre of Maltus, I feel this is the wrong approach and think it would be more to the point to encourage the campaign against infant mortality which, for example, is very high in Italy. I therefore think that paragraph 9 of the resolution should be deleted.

As rapporteur on surface waters—incidentally I hope that this report will be discussed in the very near future—I urge the Community institutions to take immediate steps to strengthen control over the level of pollution of drinking water, to promote and increase the number of anti-pollution programmes, providing Community finance whenever necessary. Let us not forget that drinking water which is not altogether pure or, even, infected with bacilli may cause serious infections.

I am sure that Lady Elles will not take my remarks personally and, indeed, this is not my intention. I fully appreciate her report but present these points as a necessary addition to the resolution and suspect that they would automatically have been included, rather than taking the form of amendments, if the Committee on Public Health and the Environment had been able to express its opinion in the usual way and using the traditional instruments of our house.

(Applause)

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

Mr James Hill. — Mr President, we must thank Lady Elles for this excellent motion for a resolution.

There are points at issue, of course, in any document coming before this Parliament. I rise to speak first of all on paragraph 4. In the Social Fund the emphasis has been on retraining, and the views of the committee were that there should also be emphasis on the Regional Policy Fund and on a regional policy programme on retraining. So there is a great linkage between the two funds. I would object to only one word in paragraph 4—'comprehensive'. As is well known, when the Commission first put forward the Regional Policy Fund it was to be applied in a fairly concentrated manner, and slowly but surely the maps were enlarged and it became the beginning of a comprehensive regional fund policy. Since then there has been, certainly in the Council of Ministers, a rethink on this and it has become very concentrated in its outlook.

I think it is worth pointing out, however, that the current Commission proposals, which in a loose way can be said to arise from the 1972 Paris Summit, do not now represent a comprehensive regional policy. Basically the present proposed scheme of aid under the Regional Development Fund is complementary to regional aid programmes already promoted in the Member States. Thus, if in the future the United Kingdom wished to take advantage of the Fund, it would have to satisfy criteria which are not too onerous.

There are three criteria: heavy dependence on agricultural employment, heavy dependence on employment in declining industrial activities, and a persistently high rate of unemployment coupled with a high rate of net outward migration. So the United Kingdom would be able to receive what I would term a back-up aid from the Regional Development Fund if it could meet these three criteria.

I am afraid that the Commission now refers to a Community Regional Policy Fund which will only deal with sectional or regional imbalances within fairly harsh guidelines as laid down by the Council of Ministers in January and December last. My own Government would, indeed, welcome the Regional Policy Fund, for obvious reasons, but the wording of the motion for a resolution, I would have thought, could be altered by substituting another word for 'comprehensive' in paragraph 4. Perhaps 'the continuing absence of a regional development fund' would be more accurate.

Poor government within a Member State will obviously increase the aid to be received under a regional policy fund, because this will fall within the third criterion. A poor government, with no counter-inflation policies, will naturally have a persistently high rate of unemployment, and I think that in the professional and salaried classes this will result in a high rate of net outward migration. Consequently, no matter what is the size of any fund, whether it be in respect of social or regional policy, it is the quality of the governments within the nine Member States which will determine how effective such funds will be.

It is fairly obvious that although paragraph 7 talks of 'harmonious industrial relations at a time when inflation threatens the economic well-being of the Community' this is a time of great peril, because at times of inflation we seldom have harmonious industrial relations; indeed, the major unions of the various Member States will be trying to get the biggest slice of the available fiscal economy products that are available. Consequently, inflation is the greatest danger to the social and regional policy funds and any other fund that will emanate from the Community.

Yesterday Mr Kirk made the point that the Commission has done very little study—at any rate, so far it has not reached the European Parliament—of a counter-inflation policy within the Community. To uphold the purchasing power of the various funds is a first priority.

With regard to the effectiveness of the funds, this needs a great deal of research. Certainly with regional policies it needs research in the Member States concerned, and this the European Parliament is carrying out. Paragraph 8 says that 'shortages of raw materials should not be used by industries as a means of making excessive profits.'

We are all aware that in a period of inflation and spiralling industrial costs there are two sectors which make—in some peoples' view, perhaps, quite rightly—high profits—namely, the banks and the oil industry. There will be a great deal of pressure within the Member States to take action against these excessive profits. If we are all to be subject to a tightening of belts it is right that within the Member States it must be seen that this has taken place.

Paragraph 9 refers to the rather emotive issue of birth rates. The United Kingdom has had an Abortion Act since 1967. In their wisdom, the government have just introduced free contraception for all who wish to apply. This has put an enormous strain on the health services and the doctors concerned. But it is emphasized that

James Hill

in the United Kingdom we are not worried about the decline in the birth rate at the moment. Perhaps paragraph 9 could be suitably amended to take in that point.

The amendment put down to paragraph 9 is rather crude. It simply seeks to delete the paragraph. It is obvious that if it is deleted we must have something to replace it. We cannot leave a vacuum. The birth rate, whether increasing or decreasing, is a matter of great moment, and statistics must be based on the figures coming from the Commission.

On the point concerning the unemployed, unemployment is created by runaway inflation. There must be further studies of this within the Community.

I have kept my remarks on paragraph 7 to the last because I am surprised at it. Any economist will say that a more appropriate distribution of income and wealth will not combat inflation; in fact, quite the reverse. The idea that we can combat inflation by the egalitarianizing of wealth, through a wealth tax, further death duties, individual earnings tied to a certain level, and companies not being allowed to retain profits to put into further expansion, is wrong. Quite the reverse is true. It would start spiralling unemployment, and that would be horrifying throughout the Community. It is one of those outdated Socialist ideas which time and again have been proved to have no relevance to the problem of running a modern economy.

We should give our thanks to Lady Elles. We shall certainly be able to vote against the amendment to paragraph 7, and I leave it to my colleagues to decide whether they wish to vote against the amendment to paragraph 9.

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

Mr Laudrin. — (F) Mr President, ladies and gentlemen, may I, on behalf of the Group of European Progressive Democrats, congratulate Lady Elles on her excellent report concerning the development of the social situation in the Community in 1973. With your permission, Mr President, I shall add a few reflections of my own.

During the debate which took place in this House yesterday we heard a good many lamentations over the fact that the European Union is made and unmade at the whim of the events which shake our world. But this morning perhaps we are enjoying the unaccustomed treat of finding grounds for somewhat more optimism as regards the social problem.

This may well be a turning-point on the path of progress trodden in 1973.

Although the proposal for a resolution submitted to us includes a number of correctives and resolutions, it does indeed leave us with an optimistic flavour. Allow me, then, to give expression to some reflections which will lend support to those which have been put forward in a variety of ways by preceding speakers.

This is a time when full employment, as a priority goal of both national and Community policy, must form the real basis of a common strategy for tackling the problems the situation raises in our respective countries.

The problem of employment is always a live issue for one or other of the social categories concerned. However, it acquires a new dimension as a result of the energy crisis we have had. It is a fact that certain countries are dependent on oil for as much as 70% of their economic needs, and this, of course, has its repercussions for the working population, to such a degree as to raise henceforth the question of improving professional training so as to facilitate the mobility of manpower as between one sector and another. For this reason I should like to see the European Social Fund providing more financial aid to promote vocational training for adults, and reserving priority attention for countries—Ireland is the first of these to come to mind—which are hard hit by the economic repercussions of the energy crisis.

The Commission has pointed out that its departments were investigating the effects of this oil crisis on the problem of employment, with a view also to establishing in how far it affects necessary changes in the job sphere.

I trust Parliament will manage to look into this report and give us its opinion on the problem.

With reference to paragraph 7 of the proposal for a resolution in Lady Elles' report, which stresses the need to establish harmonious relations with the social partners, we have no hesitation in giving this our backing.

It is however quite necessary for the Commission to take the initiative by inviting the parties to study a programme of division of labour, and to seek, with the concurrence of Parliament, the best way that can be found of sharing the burden of an activity which is at hazard. We realize that on this point the attempts we have made have not been crowned with success, and that we must now try again as soon as we can.

I am not altogether happy about the fact that Lady Elles' proposal omits any reference to migrant workers.

Laudrin

It will have been noted that when the oil crisis was sprung upon us, the Federal Republic of Germany as well as Denmark announced measures aimed at checking the influx of migrant workers, to the point of barring entry to some, though they be Europeans. I feel that no effort should be spared in an endeavour to prevent migrant workers, whatever their origin, from becoming victims of the crisis we are living through at the moment; it is no solution to export unemployment to other countries, especially to developing countries.

I have examined with keen interest the Commission's proposals on handicapped workers. With regard to this problem, I should like to stress the need, once again, to undertake more thoroughgoing research in the spheres of genetics, psychiatry and surgery, so as to enable our medical men to cut down in large measure the number of these sad cases. Here we are, of course, overlapping onto the problem of health, but we have to recognize that in certain countries, France included, this problem has not been adequately studied. Too many are handicapped from birth in ways which could be corrected. There are lessons to be learned from our handicapped partners and from other Organizations, if we are to launch a programme properly adjusted to the real needs in this sphere.

I feel that as far as this field is concerned, the Commission's programme should be expanded; it is not ambitious enough. The Social Fund should make enough money available to help such people in their search for a proper place on the labour market. As has just been pointed out, the absence of a Regional Fund and of a regional policy greatly hinders the proper functioning of the social policy. This policy cannot, of course, take the place of a regional policy; it can only have a partial impact on existing economic disparities, but it does a job that needs to be done.

Just one word on paragraph 9, concerning the birth rate, an issue which has been raised by a few speakers in this forum. With the best will in the world to Mr Wieldraaijer, the concern we are voicing here is unlikely to cut any ice as far as the behaviour of families is concerned. I should however be grateful to him if, while keeping to his reservations, along with others perhaps, on this article, he agreed to give his vote to the report as a whole, since, in my view, we can scarcely do less than give a certain '*satisfecit*' for the House to the series of measures stressed by Lady Elles.

Allow me, in concluding, to voice a concern which has often been expressed in this House,

to the effect that the Social Action programme will remain a dead letter and only arouse false hopes among the more underprivileged categories, if the Social Fund is not backed by the resources needed to put the proposed schemes into effect. We must however rejoice if after an overlong sleep European action is now showing signs of life. We must put our shoulders to the wheel on the Commission's behalf, in the hope that it will achieve meetings of Ministers of Labour who have remained separate for too long and get them to reach their decisions in common.

And there is this, prompted by information heard over the radio this morning, that perhaps we should attempt to grapple in a more decisive way with the problem of accidents at work. These are too frequent, too costly to the countries concerned, as well as to the careers, health and life-styles of wage-earners. On this point also, it seems to me, our efforts are less than adequate.

Let me conclude these observations by telling Lady Elles that we readily agree to vote for the document she has submitted and which we have discussed in committee. Let me express the firm hope that this will be but a start for our social action throughout the Europe of the Nine, and that this action will gather impetus in the interest of workers everywhere.
(Applause)

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

Mr Marras. — (I) Mr President, I am not satisfied with Lady Elle's report. Personally, I hold her in very high esteem but her remarks and reports are often permeated with the ideology of the political party to which she belongs and this report is no exception. Speakers from other political parties have also pointed out that this report is dominated by an optimism which has nothing to do with the real situation.

1973 was one of the most difficult years for the workers and peoples of Europe. In that year living conditions generally deteriorated, strangely in contrast with the Commission's proclaimed intent to adopt a social action programme and give this our Europe a social face.

In particular, two phenomena emerged and became more serious during 1973 and it would not be correct to attribute them exclusively to the oil crisis. I think that Vice-President Hillery, speaking in this Chamber a few months ago, rightly said that this crisis began some time before the oil crisis and that signs of difficulty, as far as employment is concerned, were already evident in 1972.

Marras

In the past year, therefore, both working conditions and opportunities in our Community have deteriorated. The rate of employment decreased and here I must say—I believe that my colleague Mr Laudrin also stressed this point—that I am surprised that our rapporteur, though referring to the point in the explanatory statement, did not include in the resolution the question of migrant workers who, in questions of employment, tend to be the hardest hit.

I think that our group will put a question to the Commission asking for statistics on the return of emigrants—I mean those originating in Community countries, Italy in particular—to their home countries, including those who have not been dismissed. We find thousands of them returning to our countries. Subject to pressure by the employers, they prefer at times to leave of their own free will. This tends to create a shifting anxious climate so that many emigrant workers are losing their jobs and returning to their region of origin.

Then inflation has increased much more than anyone expected particularly as concerns the price of goods which are included in workers' basic consumption. Eighteen months ago, in Luxembourg, we were told that inflation had been blocked at 4-5 per cent par annum which would have been an acceptable rate. Now, however, every, or anyway most, Community countries are suffering from inflation of around 12-15 per cent and I suspect that in my country during 1974 the rate will surpass 20 per cent.

The effect of this phenomenon on the life-style of workers is easy to imagine and wage earners are already to some extent succeeding in making good this loss of income by means of tough trade union struggles. But we should also consider the millions of pensioners and workers with fixed incomes who live in our countries and can do nothing to defend themselves against inflation. People often deplore the increase in trade union conflict in the Community countries, but what alternative to conflict is open to the proletariat, workers and wage earners to defend themselves when they lack any of the necessary instruments? The Community institutions, including the Commission, have certain responsibilities in this field and they must fully accept them if they are to make the necessary corrections.

What is more, no-one can pretend that this deterioration and crisis afflicting the Western economy weighs equally heavily on all social levels. It would simply be untrue. Of course there are some economic sectors e.g. the car industry, which are having difficulties and probably distributing smaller profits than in

previous years but this does not apply for other economic undertakings. I shall not now dwell on the subject of the multinational oil companies, which we have talked so much about in these days, but I should like to point out, as an example (I imagine there are other such facts in other Community countries), that the largest chemical complex in our country, which in economic terms is probably even larger than Fiat though less wellknown abroad, i.e. Montedison, which dominates the market for chemical products in Italy, enjoyed a huge increase in profits, in 1973.

The crisis does not therefore weigh equally on workers and on employers. As I said, the Community institutions have responsibilities in this field but I shall not dwell on this point since others of my colleagues have already spoken of many of the institutions. The Community has hitherto failed to adopt or use instruments, such as the Regional fund, which might be effective in the fields of employment and inflation.

Though the Communities' Social Fund is extending its field of action to an ever larger number of sectors, it is not increasing its funds to the same extent.

The Community lacks or is not able to freely use some of the instruments which could be useful under these circumstances. In order to assess a social situation in our Community correctly, I believe that we should first consider the behaviour of the organizational forces which express the general opinion of the workers as a whole. I do not believe that Commissioner Hillery can say that he found many grounds for satisfaction or encouragement in his dealings with the trade unions, in particular the most representatives ones. The members of the Commission were asked to call a social conference, not like the failed attempt to discuss the social action programme, but one in which the present quality of life of the workers and the influence of the energy crisis on employment and income could be considered.

What use have you made in these last months of a body at your disposal such as the Standing Committee on Employment in which you may sit round a table with both social partners? How often has the Council of Ministers for Labour of the Community met since the social action programme was adopted?

I gather that for some time some countries have been calling for a meeting of the Council whereas the Council of Ministers has not met for months. The major trade union forces are accordingly anxious about the Community and the problems which the Community seems unable to solve.

Marras

In our opinion, the Institutions have both specific and more general responsibilities and the latter do not directly affect Mr Hillery's sphere of responsibility as Commissioner responsible for social affairs. Well, we have always said, and you, Mr Hillery, have concurred in this opinion, that all Community policies, medium term monetary policy most of all, have a most important social influence. With great satisfaction I quote your own recent words: 'We cannot reach a satisfactory solution to the present employment situation by using deflationary measures'. A majority of Community countries are, on the contrary, following just this line of policy using a range of monetary provisions, adopted by the Central Banks, which are leading to a deterioration in the employment situation.

Of course, the picture is not entirely black—in particular I should like to stress the strengthening of the trade union movement on a European level. You are therefore faced by a great partner who can speak on behalf of tens of millions of workers. Social involvement, presented as one of the principal objectives of the social action programme, must be pursued in practice on the day to day level with this partner.

I should like to conclude, Mr President, by rapidly sketching the proposals advanced by our political party for some essential, though clearly not definitive, measures to effectively tackle the problems of employment and inflation which we consider to be the two main challenges facing us today.

When we discussed the social action programme in this Chamber, there was some conflict about our proposal on the possibility of introducing a sliding scale for salaries as a means of fighting inflation but the discussion concluded in favour of this proposal. It gives me pleasure now to read a Commission document announcing the presentation of a study of mechanisms of adapting salaries to the costs of living. Could Commissioner Hillery kindly check the date for me because it is not an official document but an agency bulletin and I should like to draw my colleagues' attention to it.

Today, which is dedicated to social problems, we shall discuss the introduction of the 40-hour week in the Community. The 40-hour week, which has been an aim of the worker's struggle in our countries for at least a century, would have some real value in fighting unemployment if it were accompanied by a gradual elimination of overtime. This is one of our arguments and I am glad to notice that, despite the smallness of our delegation in this Chamber, Communist arguments are beginning to make an impression since Commissioner Hillery seems to have

expressed his agreement with this one in declaring in his report on the social situation that the division of labour, involving a reduction of overtime as well as the basic working week, was a subject which deserved to be taken into consideration. I hope that he will confirm my belief that he considers this a suitable action to fight this situation.

In addition to the 40-hour week and elimination of overtime, we would add the reduction of retiring age as another goal which could contribute to reducing unemployment.

The statement I referred to was not taken from an agency bulletin but from the summary of Commissioner Hillery's speech of 12 February in this Chamber.

These then are some measures which, if rapidly taken, could prevent 1974 being a worse year than 1973 for the workers of our Community.

President. — I call Lord O'Hagan.

Lord O'Hagan. — I wish to begin by saying something which I hope is common to all Members of Parliament. I should like to congratulate the Directorate-General for Social Affairs and in particular Dr Hillery for the valiant battles that they have conducted for humanizing the Community since its enlargement. Of course, they have not been wholly successful with the Social Action Programme, and not all of its programmes have been implemented. Some are not even very near implementation. It may be that we in Parliament have not given them as much positive, constructive and timely support as we should have given. Possibly we can improve that in future. However, if the Community develops into something more than just a customs union—and there are still some people in Britain who want it to do more than that—then some of the credit must and will go to Dr Hillery and his team and, I hope, to the Social Affairs Committee of Parliament for their constructive and critical support of Dr Hillery.

Mr President, I am sure that you, as a lover of England, like me, have a respectful, even somewhat awestruck, admiration for Lady Elles, and share my own admiration of her extraordinary energy and achievements in so many fields at so many different times. It is therefore no surprise either to you or to me that, doing so much so well and so often, very occasionally she should do what she has done today—and I say this in great friendship and respect—namely, make just a little bit of a twit of herself. I say that in an entirely friendly and avuncular way.

Lord O'Hagan

In the speech that she made and in that part of the report in which she dealt with population, she linked in a naïve and simplistic way the question of population growth, or the opposite of it, inside the Community with that part concerning migrant workers.

I wish to separate the two. Of course, when discussing the question of population we can do it in a national, a European or a world context, and all these different ways of looking at the population prospects have a long-term effect on social policy.

I myself am not a great expert on population, so that I cannot say much more than that. However, knowing a very little about the problems of migration and the social consequences of migration, I think that a crude linkage of population growth, or shrinkage, with the subject of migrant workers is a wholly unconstructive basis for looking at the social consequences of migration—and there *are* social consequences of migration. If one takes away all the adult males from villages in Turkey, one destroys those communities. There are social consequences for those countries. There are social consequences for our own countries, the Member States, when people with strange customs come from other countries outside the Community. Also there are different problems, as we all know, and as Mr Marras consistently reminded us, for those countries inside the Community who send a large number of their workers to other countries inside the Community.

But it is far too self-indulgent to think that we can help solve the social problems of those countries outside the Community which send us workers to do the dirty jobs that Europe needs done to stay prosperous and that we are no longer prepared to do ourselves; it is far too simple to say that we are going to keep them out under the guise of keeping in those countries those skilled people whom they will need if they are ever to develop beyond the relatively unsophisticated economic structure that they have at present. We cannot say we are doing them a favour by keeping them out in order to keep them in their own countries because they are needed there, and at the same time say, 'Well, we will allow them to come here when we need them to do dirty jobs'. We deceive ourselves if we think that a good number of them are going to go back with skills to those countries from which they came and use those skills there. Are there many bus-drivers who can use their bus-driving skills in the mountain villages of Turkey?

I think we should use some common sense about this. We should also remember that the

social consequences of migration have an economic aspect in that the remittances home to the countries from which these people come, from workers inside the Community, make a very important contribution to the foreign exchange of those countries.

I am not suggesting that there is no link between the number of indigenous European workers and the number of migrant workers from inside the Community or from outside, but I say that a crude balancing up of the two is a false avenue to follow if we want to reach a just social solution to this very difficult series of problems.

I suggest instead that we should move towards a Community manpower policy, taking into account population growth inside the Community, also taking into account social factors inside the Community, coupled with a Community immigration policy looking at things from a long-term point of view, with better reception facilities inside the Member States. The Commission is already moving in this direction, I am glad to see, if only slowly.

What was worse about Lady Elles' speech was that she mentioned genocide. I am proud of being a British mongrel. I am proud of my Italian, Jewish and Irish blood. If we are going to start talking in these terms in this Parliament, as Lady Elles did, I think it is a great pity. I hope it will not happen again.

I conclude by saying that I hope we can all impress upon the Council, who have shown their concern for this subject by their absence, that if Europe is to move forward and win greater support in the Member States, they must have a new social policy. They cannot tinker around. They cannot encourage applications for money in the Member States under one hat and then turn them down under another hat when the Ministers for Finance come along, and decide that the Social Fund does not need much money; they go home and make a lot of noise and encourage people to apply for aid, hoping that their applications will be turned down on technical grounds because they have not filled in the forms correctly. If Europe is to emerge from its chrysalis and is to go forward, we need a real social policy.

We should congratulate the Commission on what they have achieved so far, and I hope we can all encourage them to speak vociferously and persist with the practical wisdom which they have so far shown, so that what is at present the beginning of a European social policy will turn into a genuine European social policy.

(Applause)

The President. — While thanking Lord O'Hagan for his compliment on my love of England, I now give the floor to the Irish member of the Commission of the European Communities.

Dr Hillery, Vice-President of the Commission of the European Communities. — Thank you, Mr President. First I should like to thank Lady Elles for her report, which has been very thorough and useful. Naturally, we should hardly be listening to Parliament if we heard the same attitude of agreement to everything social in the Community, but I should like to stress how helpful it is to me to have heard the various aspects of the social report teased out so thoroughly for examination by people holding different points of view and motivated by different philosophies. I should like to add my voice to those of other parliamentarians who have complimented her.

I should like to start by referring to Mr Van der Gun's comments. At this stage of evolution in the Community, when social policy is only beginning after the Paris Summit meeting, we must accept that when we report on social progress in the Community we are largely reporting on the position within the national states. This for a time must be the main part of the report. But I think we can compliment ourselves on the fact that, running side by side with this report on the position in the Member States, we now have a progress report on the implementation of a Community social action programme. As the competencies of the Community increase, as we move towards social union, I hope that the Commission will be able to speak with more and more authority on social conditions in Europe, as distinct from the social state of development of the different Member States.

That being so, I want to say that the social action programme adopted by the Council with the inbuilt guarantee of decision-making—which up to now, by its absence, has done so much damage to the Community—within five months of hearing the Parliament's opinion, or, if the Parliament's opinion is not involved, within nine months of the Commission's proposal enables us to feel that we are on the way with the implementation of the social action programme.

The social action programme, with which I was closely associated and in which the Parliament played such a vital role before the Council meeting, has, since its adoption, found seven priority actions proposed by the Commission in the following respects: in the first three months of this year the Parliament has given opinions on the first three priority actions; in addition,

we have already had an opinion of Parliament on mass dismissals, delivered last year but still valid, for the implementation of protection against mass dismissals as part of the programme; finally, opinions on a draft directive on equal pay and the proposal concerning a 40-hour week and four weeks' holiday are before Parliament today.

After today's meeting I hope to be able to report to the Commission that the Parliament has delivered its opinion on all the priority actions proposed by the Commission at the end of 1973, with the sole exception of the European foundation for the improvement of living and working conditions. I know that the Parliament has already established the rapporteur for the study of this proposal.

Since the seven priorities were submitted to the Council, the Commission has, in the next phase of submissions, submitted its proposal for the creation of a European centre for vocational training. The Parliament will be consulted by the Council on that. The general object of such a centre will be the promotion and development of vocational training and continuous training at Community level. The Commission feels that in particular it may organize courses, conferences, seminars and pilot projects, conclude research contracts and grant financial assistance for carrying out specific projects and edit and distribute all useful documentation, in particular, a Community bulletin on vocational training.

I feel that the institute for vocational training is one of the most important steps that we have so far taken. It is the main step in the implementation of a common European vocational education programme. I look forward to its establishment, and I know that its existence will raise the standards and diffuse the highest level of standards of training throughout the whole Community. It is true that the highest levels of vocational training are not applied everywhere in the Community, and a knowledge of this, made available by a Community institution, will make it possible for workers in the Community to find for themselves, individually, the best level of their own competence in taking up positions in life. It will also give them what I regard as the only real security a worker can have—namely, the possibility of training to meet the rapidly-changing demands for skills brought about by technological change, changed trading situations such as we have again under the GATT negotiations, and other variations we are all conscious of, such as the energy crisis.

The only real security for a worker is to be so trained as to be adaptable and mobile in his skills, rather than being merely geographically mobile. This vocational training institution will

Hillery

respond to the needs of the European Community as well as of individual workers. The ability of Europe, as a trading group, to compete with other groups will depend on the skill of its workers and the ability of Europe to train its workers to compete with other trading groups who can claim the same markets by providing better products, in competition. I regard it as one of the most important things from the point of view of the worker and also of Europe, and I look forward to a discussion on the subject in this Parliament.

We hope for a number of new proposals during 1974. It will support Lady Elles's claim for the particular significance of this report if I tell the Parliament that this year we shall have about 20 initiatives from the Commission in social action. The Parliament will be asked for its opinion on these. We shall have a number of opportunities to discuss social policy as it arises.

The tripartite conference, which is entirely a matter for arrangement by the Council, did not take place to help us in the development of the social action programme. I regretted that at the time, because it would have been of enormous help to me to have an open confrontation between governments, trade unions, employers and the Community institutions. We had to do without it. Mr Glinne, on behalf of the Council, explained in December why it could not take place. Instead, we developed our social action programme in private consultation with trade unions and employers and in more formal meetings with them in the form of social-partner meetings. A social action programme was developed in the full knowledge of their feelings about the different aspects, but the responsibility for what was proposed remains that of the Commission.

Consultation, especially with two sides which do not always see eye to eye, does not mean doing what they ask you to do, because that would sometimes mean doing two conflicting things. Consultation was continuous. Now that the prospects of a tripartite conference have been raised again by the Council and the Council has made preparatory movements towards holding one, my hope is—and I think the Council intend this—to have the implementation of the social action programme discussed at that conference, as well as the effects of the energy crisis. There has not been an announcement from the Council on the question whether this tripartite conference will take place. I have no reason to expect that it will take place and, because of that, I am again following my other practice of consulting with the social partners on the various items as they come up to be implemented in the social action programme.

The Commission is engaged in a wide-ranging study of the effects of the energy crisis and the long-term problems of energy supply. In social affairs, two matters are to be considered. The first is the employment effects of the energy crisis. I can tell Parliament that we have a study which will be sent to the Council so that Parliament can consider it.

The second point concerns the social affairs section of the Commission and relates to the security of workers as well as to the environment, with regard to the development of new forms of energy. These will, in their time, be available for discussion here.

Part of the social action programme calls on the Commission to make proposals about consultation with the social partners in the implementation of decision-making in the Community. One of the problems which the Commission has to solve is how to consult with the social partners in such a way that it gives satisfaction to the representatives of the workers and the employers so that they feel that they are participating in the decision-making. It is our intention to have proposals by the end of the year on how this can be done. Those who heard Minister Glinne explain why the tripartite conference was not possible for the Council will understand that the decisions which prevent consultation are not always taken by the Council or any other institution of the Community. They may arise from problems in the trade-union movement or among the social partners in general. The same problems that prevented the tripartite conference may militate against the calling of a meeting of the Permanent Committee on Employment. I remind Mr Marras that the Permanent Committee on Employment is also a committee of the Council, but although it is the responsibility of the Council to call a meeting, it is not the fault of the Council that one was not called. The difficulties were not those of the Council in this case.

The Commission has publicly declared itself in favour of a tripartite conference and any other meetings that will bring about the consultation and confrontation procedure which Members think so desirable from the social point of view in the Community.

The employment situation, as I said when introducing this report, is not now expected to be so bad as the first shock of the energy crisis led us to believe, but that is not to say that it will not be bad. There will be a negative effect on employment in the Community coming from the effects of the crisis on the price of energy, but there is also—to a large extent depending on the policy of the Member States—

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the effect on the confidence of Member States as seen in the policies that they undertake. At present we cannot predict the full effects of the energy crisis until we know that Member States will take positive measures to prevent further unemployment. This would be made necessary by the cost of oil and other raw materials.

We can say that certain matters are clear already. As indicated in the social report, the year 1973 was characterized largely by economic expansion in all the Member States, especially in the first half of the year, so that the number of persons in employment increased in that year throughout the Community, and total unemployment figures fell in most countries, even though, at the time, they did not fall as much as had been expected. It is probable that the uncertain monetary situation and the strong inflationary movements prevented the fall in unemployment that we expected, but there was a fall in unemployment figures in 1973.

In the last months of 1973 we had the effects of the energy crisis which I have just been talking about. This led to a remarkable growth in unemployment in some countries, but taking 1973 as a whole we can draw the following conclusions from the provisional figures: in the nine countries as a whole there was a fall in unemployment from 2.5 per cent to 2.3 per cent. This fall was not even throughout the whole of the Community; in fact it was due largely to the fall in unemployment in the United Kingdom.

This bears out a point that I made at the last meeting here, namely, that the most striking effects of the existence of the Community of the Six was the creation of employment and the low unemployment figures. The first effect of membership of the Community for the three new Member States has been the same—a fall in unemployment. This fall, taken in sum total, has countered a slight increase in unemployment in the original Six. As I have said, the total fall is from 2.5 per cent to 2.3 per cent. In the first year of membership the decline in unemployment in the United Kingdom was from 3.3 per cent to 2.4 or 2.5 per cent. In Ireland the fall was from 6.4 per cent to 6.1 per cent, and in Denmark it was from 1 per cent to 0.7 per cent.

Among the original Six Member States only Italy—and that for the first time in years—showed an increase in economic growth with a decline in unemployment. In France, the Netherlands and Luxembourg the rate of unemployment was nearly as high as in 1972, and in Germany and Belgium average unemployment in 1973 was somewhat higher than in 1972.

The early months of 1974 again reflected the energy crisis, and the price increases have had a negative impact on unemployment in some countries: in spite of very favourable climatic conditions the number of unemployed was higher than in the year before. The worst case is Germany, where the increase was from 0.9 to 1.1 per cent. The monthly figures for the different countries are not strictly comparable, but the latest figure for Germany shows a doubling of the unemployment rate. There has been a similar increase in Denmark, France, Belgium, Luxembourg and the Netherlands. Only the United Kingdom and Ireland—and probably Italy—have escaped and recorded a fall in unemployment in 1974.

The United Kingdom shows a fall of about 0.4 per cent from March of last year i.e., from 3 per cent to 2.6 per cent in March this year. Nearly all Member States expect a less favourable development in the months ahead in the labour market. There are two exceptions.

In Italy it is expected there will be no change, and some growth is expected in Luxembourg. The implications of this for workers is that special groups of workers will suffer from the deterioration in the different parts of the labour market.

School-leavers will have greater difficulty in finding jobs. Older workers will be more exposed to the risk of redundancy, and they would of course, on being made redundant, spend much longer time trying to find new employment.

Migrant workers have so many problems, but here is an added problem—the risk of losing their jobs. I may say something about the migrant workers in the Community later, but as I have said already, the problems of the individual migrant worker are very many and very severe. To have this added problem of the threat of losing one's job brings an urgency into our consideration which was there before but must be there now in an accentuated way.

Whether our consideration of the problems of migrant workers will help or not depends on the goodwill not only of the governments involved but also of the employers and trade unions. The Community's employment problem in this position is to concentrate on possibilities to ensure that these particular groups which I have mentioned do not bear an unfair burden because of the adverse employment situation.

For school-leavers the first measures to implement a common policy of vocational training submitted by the Commission to Parliament, and on the basis of which the Council has agreed on

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a number of priority measures, are a practical step. A great deal of the problems of school-leavers in employment, I think, must be due to the fact that their education before leaving school is not geared to their taking up immediate employment. There has to be some correction of that to fit in the system which would make it possible for younger people to find employment more quickly. As I have said, the Centre for Vocational Training will be a most important instrument in developing harmonious training in the widest sense.

For older workers it is difficult to know what to do. It is in the thinking of the Commission and already in the Social Programme of the Commission—not in the priorities selected by the Council but in the Social Programme—that they could be given greater security of tenure possibly by making it somewhat more attractive financially for employers to hire or keep older workers and possibly by creating some disincentive, making it expensive to have them dismissed.

The thinking here is not complete enough for me to make any statement to Parliament, but I say that much to show that we are thinking of ways in which this group could be protected.

Women in employment seem to benefit from the growth and expanded activity of the last years. Now they may suffer a little more than men, which is normally the case. Women are discriminated against in the employment situation. For them a general action programme will be presented later by the Commission to try to achieve equality between men and women not only in the matter of pay, but in competition in the labour market. Women's family responsibilities must be reconciled with their job aspirations. For all these groups, in addition to the use of the European Social Fund, the Commission is examining the possibility of developing other Community initiatives.

In the coming months, the Commission will submit proposals, especially in the field of increased cooperation between national employment agencies, which should be of some help in this difficult employment situation, with coordinated improvements in the central forecasting of manpower requirements, the development of training and retraining and the implementation of a regulation which already exists, No 161/68, concerned with the free movement of workers.

It is true that there is little in the report about migrant workers, but the matter has been mentioned here. I have mentioned the added problem of loss of employment. We have now to

add to our thinking about the migrant worker the question of better protection against loss of employment.

It was intended that the Commission should produce a first programme for migrants to say what we intended to do in the future. Our preliminary examination has uncovered for the Commission the possibility of doing a great deal for migrants with the implementation of the regulation I have already mentioned. A great deal can be done both in the Commission and in the national governments. We have begun on the road of doing what can be done now and are bringing forward the main programme for migrants, as was originally intended in December of last year. In this main programme for migrants, we have extended our thinking beyond the social affairs section of the Commission to bring in the section which normally occupies itself with regional industrial and development policy, so that the reasons for migrant workers coming into Europe—the reasons in their home countries might be dealt with through development policy—the reasons for involuntary movement within Europe could be dealt with through the regional policy properly applied. Finally, we would be dealing with the migrant worker as distinct from dealing with the problem of migration at the regional policy level. We would deal with the migrant worker and all these difficulties of reception, separation from his family, acceptance in the host population and so on.

In the host countries, there are marked problems both for migrant workers and for the population of the host country. To touch on paragraph 9, mentioned by many speakers in the debate, I do not believe the sole reason for its inclusion is the fact that we shall need migrant workers. We should be quite clear that if workers have to migrate it is the country they leave that suffers. This is something that has to be clearly established. It is a loss to the home country. My early experiences have been in such a country. The country which receives migrant workers is receiving a benefit. It is having its economy developed in a way that it could never do without these migrant workers, so that it would not be a good idea to think of migration only as a necessary evil.

Whilst I am on paragraph 9—and there are obvious conflicts here in Parliament—I think the Parliament will decide what it wants to do on that matter itself.

I agree—and I told the committee—that the drop in population implies serious social problems and considerations perhaps a generation away. I should like to see these studied and

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considered. For that reason, I think what Mr Hill said is right. If we can show that the serious social implications of a continuous drop in population need to be studied on a European basis, in my view it is worth doing. In the light of world population increases that are taking place at a rate which everybody deplures and would wish to see altered, in the light of such problems as the protein supply in the world and food supply in the future, I can see that it becomes difficult for some Members to accept this as an isolated sentence. However, if it were put to me, as has been done, 'What do you think of it?', I would say that a drop in population in a nation or in a community is a serious matter in the light of its implications for the future, perhaps a generation away.

The question of workers' participation in industry has been raised. Parliament is already aware that proposals have been made by the Commission in connection with the proposed statute for a European company, submitted in June 1970, and the Fifth Directive on the structure of the public limited liability company, which was submitted in October 1972. These are still being discussed by the competent committees of the European Parliament and the Economic and Social Committee. While these discussions are going on, it would not be rational or possible for the Commission to come forward again. But I know that apart from Parliament, Ministers of Labour and trade unionists have asked me to bring forward discussion on the question of participation. If I can arrange for that without conflicting with the functioning of Parliament in relation to the other proposals, I will certainly try to do so this year.

I wish to say to Mr Marras that there has been an increase in real earnings. I do not know where he had heard that there has been a drop, but there has been a measurable increase in all countries in real earnings in 1973 as against 1972.

As to the purchasing power of workers and its prediction, four countries in the Community—Belgium, Luxembourg, Italy and Denmark—introduced some years ago generalized schemes of 'indexation' for the regular adjustment of wages to the cost of living. In four other countries, the Netherlands, France, Ireland and the United Kingdom, most collective bargains are adjusted according to particular formulae.

It seems that there is a tendency to extend these systems. Only in Germany has no periodic indexation been introduced. However, this is not to say that there is no correction, because the trade unions negotiate from time to time for the benefit of their membership.

At the meeting of the Council of Social Affairs which took place in December, the Commission took on the task of carrying out a study of the different systems of adjustment of wages, and this study will be completed some months from now. Its main object is to show what measures should be adopted in order to safeguard the real value of wages and salaries against the negative impact of inflation. In the conclusion of this study the Commission will try to evolve guidelines for a general discussion of the matter.

I was asked about joint committees. There are existing joint committees on coal-mining, iron and steel, agriculture and certain sectors of transport—road transport, railways, sea-fishing and inland waterways. There are problems at the moment because of the changeover from six to nine Member States, but there are proposals for extending the joint committee system.

I gather that the House is satisfied with the length of my remarks. May I say that I am grateful to Lady Elles for introducing such an interesting debate, and I am also very grateful to Members who have contributed to the debate. I look forward to substantial annual progress in the implementation of the Community social policy.

(Applause)

President. — Does anyone else wish to speak?

The general debate is closed.

We now proceed to consider the motion for a resolution.

On the preamble and paragraphs 1 to 5, I have no amendments or speakers listed.

Does anyone wish to speak?

I put the preamble and paragraphs 1 to 5 to the vote.

The preamble and paragraphs 1 to 5 are adopted.

On paragraph 6, I have Amendment No 3 tabled by Mr Premoli and worded as follows:

'Paragraph 6 of this resolution should read as follows:

"6. Deplures the inadequacy of safety and health regulations in force in the countries of the Community and invites the Commission of the European Communities to formulate stricter and more stringent directives to curb the rising trend in accidents; emphasizes the need for severe penalties in cases of negligence on the part of the employer;".

I call Mr Premoli to move this amendment.

Mr Premoli. — (I) As you have pointed out, Mr President, I have already fully explained the amendment which I tabled in my speech. I therefore recommend that the House adopts it, provided that Lady Elles is prepared to accept it, as I understand she is.

President. — I call Lady Elles.

Lady Elles, rapporteur. — Yes, without going into details. In view of the time, I am prepared to accept the three amendments tabled by Mr Premoli, and I am grateful to Mr Premoli for raising the issues.

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

Amendment No 3 is adopted.

On paragraph 6, I also have Amendment No 4 tabled by Mr Premoli and worded as follows:

'After paragraph 6, insert a new paragraph worded as follows:

"6a. Expects the Commission to formulate without delay practical proposals on the basis of the results of the symposiums organized in the field of health protection, in particular of foodstuffs irradiation, and of pesticides;"'

I call Mr Premoli to move this amendment.

Mr Premoli. — (I) I have already previously explained this amendment. It follows on logically from the first amendment.

President. — The rapporteur has recommended the adoption of this amendment.

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

On paragraph 6, I also have Amendment No 5 tabled by Mr Premoli and worded as follows:

'After paragraph 6 and paragraph 6a, insert a new paragraph worded as follows:

"6b. Is concerned at the delays as regards implementation of the action programme of the Communities for the environment of 22 November 1973, invites the Commission to ensure that the time limits laid down are respected, and in particular to take immediate measures to combat pollution in the Rhine basin, measures which should have been proposed by 31 March 1974;"'

I call Mr Premoli to move this amendment.

Mr Premoli. — (I) This amendment goes hand in hand with the other two and is supported by the same argument.

President. — The rapporteur has recommended the adoption of this amendment.

I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

I put paragraph 6, thus amended, to the vote.

Paragraph 6 is adopted.

On paragraph 7, I have Amendment No 1/rev. tabled by Mr Wieldraaijer, Mr Adams and Mr Bermani and worded as follows:

'This paragraph should read as follows:

"7. Hopes that the Commission, in cooperation with the Member States and both sides of industry, will continue to make vigorous efforts to combat inflation, and to this end will put forward proposals to ensure a more appropriate distribution of income and wealth; moreover, co-determination of employees in undertakings must become reality;"'

I call Mr Wieldraaijer to move this amendment.

Mr Wieldraaijer. — (NL) Mr President, I have already explained in detail in my statement why our group has tabled this amendment so that further explanation is unnecessary.

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

Amendment No 1/rev. is rejected.

I put paragraph 7 to the vote.

Paragraph 7 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.

On paragraph 9, I have two amendments which can be considered jointly:

— Amendment No 2, tabled by Mr Wieldraaijer, Mr Adams and Mr Bermani, which proposes that paragraph 9 be deleted.

— Amendment No 6, tabled by Mr Premoli, which also wishes to see paragraph 9 deleted.

What is the rapporteur's position?

Lady Elles, rapporteur. — Thank you, Mr President. I should make it clear that I do not speak on behalf of the European Conservative Group or the British Conservative Party. I speak as rapporteur of the Committee on Social Affairs and Employment.

This paragraph was accepted in my committee by a majority vote. I must make it clear that no Conservative tendency or attitude is attached to this paragraph. As rapporteur, I have to take account of the social indicators which we asked the Commission to provide last year, and it would be foolish and negligent on my part not to draw attention to particular points which I raised on the question of the decline in the birth rate in Europe.

We must remember that the elimination of people does not necessarily mean elimination of poverty. Rather the reverse. Contrary to public opinion, more people are required in a working population in order to maintain and increase the standard of living. The consequence of under-population is that the elderly will not be provided for at the present standard of living, let alone an increased standard of living, as the productive element in the working population declines. The pension rates and social benefits required to maintain an increasing number of elderly cannot possibly be maintained either by the working population of Europe or, indeed, by migrant workers coming in from third countries. We cannot expect migrant workers to provide for the elderly of Europe. They have to provide for their own people in their own countries. The schoolboy vocabulary employed by Lord O'Hagan was consonant with the capacity for reasoning which he displayed in his argument on this point.

It should be pointed out that the East European countries who started this kind of restrictive policy on population are now reversing their policies, because they are seeing the penalties and dangers of declining populations. I repeat, the arguments which I have used have nothing to do with moral or ethical considerations. This is a demographic problem and should be taken into account seriously by the members of this Community.

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

Amendment No 2 is adopted.

Paragraph 9 is therefore deleted and Amendment No 6 becomes superfluous.

On paragraph 10, I have Amendment No 7, tabled by Mr Marras on behalf of the Com-

munist and Allies Group and worded as follows:

'At the end of this paragraph, add the following text:

"..., with particular regard for the employment difficulties and restrictions faced by migrant workers;".'

What is the rapporteur's position?

Lady Elles, rapporteur. — May I say that this amendment was not tabled in accordance with the Rules of Procedure—that is, it should have been submitted by 4 o'clock last night.

President. — We have not fixed any time-limit this time for the tabling of amendments.

The amendment has already been moved by Mr Marras.

Have you anything to add, Lady Elles?

Lady Elles. — No, Mr President.

President. — I put Amendment No 7 to the vote.

Amendment No 7 is adopted.

I put paragraph 10, thus amended, to the vote. Paragraph 10 is adopted.

On paragraphs 11 to 13, I have no amendments or speakers listed.

Does anyone wish to speak?

I put paragraphs 11 to 13 to the vote.

Paragraphs 11 to 13 are adopted.

Before putting the motion as a whole to the vote, I call Mr Wioldraaijer for an explanation of vote on behalf of the Socialist Group.

Mr Wioldraaijer. — (NL) Mr President, now that the main difficulty has been removed from this motion, in other words, now that Para. 9 has been deleted, our Group can vote for it, although we have reservations about Para. 7.

President. — I call Mr Marras for an explanation of vote on behalf of the Communist and Allies Group.

Mr Marras. — (I) I should like to speak in order to declare that we shall vote against the motion for a resolution.

We voted against our Socialist colleagues' proposals for paragraph 7 because we thought we

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were going to vote on the different bits separately and were not altogether happy about the part on co-management but if their proposal had been accepted our behaviour might have been different.

Since this most important amendment has not been adopted we feel that, despite certain results, the resolution as a whole cannot be adopted by our Group.

President. — Does anyone else wish to speak?

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

The resolution, thus amended, is adopted.¹

The proceedings will now be suspended until 3.00 p.m.

The House will rise.

(The sitting was suspended at 1.05 p.m. and resumed at 3.10 p.m.)

IN THE CHAIR: LORD BESSBOROUGH

Vice-President

President. — The sitting is resumed.

4. *Withdrawal of the opinion of a committee*

President. — There are the following representations by the draftsman for the opinion of the Committee on Development and Cooperation: Parliament is informed that the opinion of that Committee, which is contained in Document 55/74 - Annex, on the amendment to the proposal from the Commission for a regulation supplementing Regulation 1009/67/EEC on the common organization of a market in sugar, is withdrawn owing to the absence of a quorum, as required by Rule 41 (2), when the matter was discussed in that committee.

I call Mr Marras.

Mr Marras. — (I) Mr President, I should like to speak on a procedural motion. In closing proceedings this morning, the President of our Assembly asked us to vote rapidly since many of our colleagues had to leave Strasbourg this afternoon. I should not like to criticise him since this is a delicate moment for many Community countries—elections in France, the referendum in Italy, formation of the government in Belgium—which truly justify our colleagues'

commitments which stem from the requirements of our double mandate.

Now, however we are about to discuss two very important points of the social action programme: equal pay and the introduction of the 40-hour week and 4 weeks' paid holidays. These are very significant elements of our Community social character which one must admit, has hitherto been more remarkable for its absence than anything else and I frankly feel that it was a mistake to leave them until the end of the agenda together with the directives on medicine labels—not that I wish to minimise the importance of the last matter! I accordingly wonder whether it is advisable to discuss such important matters when there will only be nine or ten members present to vote. I therefore suggest that it would be more to the point to discuss these two matters before a more numerous House when we resume proceedings in May.

President. — I do not know whether you have any further support in the House for this proposition, Mr Marras. I should like to consult the House to see whether someone wishes to speak against this proposal.

Mr Scott-Hopkins. — It would be difficult for me to disagree with what has just been said about the importance of the subjects to be debated this afternoon, but inevitably something must come last. Something must be discussed on the last day. Mr Marras will remember that when we have Friday sittings, Friday morning is very sparsely attended, although there are usually important subjects to be discussed. It seems to be partly endemic in the European Parliament, that the last session—on Thursday afternoon or Friday morning—is very sparsely attended, with colleagues desiring to get back to their own countries and deal with their own affairs. That is understandable.

I sympathise with Mr Marras in his view that the subjects being discussed this afternoon are important. No matter what was on the agenda, however important, it would have scantier attention than usual from Members.

If we postpone the subjects about which Mr Marras was talking until the May part-session—and I understand that in any event that part-session will be extremely crowded—in the last two sittings of the May part-session exactly the same problem will arise. I suggest that we stick to the agenda that was decided this morning.

President. — I call Mr Wieldraaijer.

¹ OJ No C 55, 13. 5. 1974.

Mr Wieldraaijer. — (NL) I also find it rather shameful that attendance should be so sparse when such important subjects are debated. But we fixed the agenda on Monday, and this morning, and I, therefore, feel that we should deal with the subjects now. I also believe that the directives should be brought into force as soon as possible.

President. — Mr Marras, do you press to a vote your proposal for a postponement?

Mr Marras. — (I) No, Mr President, I simply wished to make a point but I shall not press it. Let us by all means stick to the agenda. We, for our part, will take part in the debate.

5. *Directive on the application of the principle of equal pay for men and women*

President. — The next item is a debate on the report by Mr Härzschel, on behalf of the Committee on Social Affairs and Employment, 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 concerning the application of the principle of equal pay for men and women contained in Article 119 of the EEC Treaty (Doc. 21/74/rev.).

I call Mr Van der Gun, replacing Mr Härzschel, who has asked to present the report.

Mr Van der Gun, deputy rapporteur. — (NL) The principle of equal pay for men and women embodied in Article 119 of the EEC Treaty has been repeatedly discussed in this Parliament since 1973. This problem has also been repeatedly considered at European national level by the governments of the Member States and the social partners. Nevertheless, we note that, after sixteen years, equal pay is not always a reality. Perhaps it is in formal terms, but everyone knows that the reality is different. We all understand that time was needed because of the backlog to be made up in the matter of women's pay and the fragility of employment in certain sectors of the economy in which women were, and still are, employed. For all these reasons, it was understandable that preference should be given to a gradual solution. However, we share the Commission's view that the period of gradual progress is past after sixteen years, and it is now time to settle matters once and for all.

As the Committee on Social Affairs and Employment, we have no objection to the proposed directive submitted by the Commission as such.

We fully support it. I would, however, stress that earnings are not the only problem here. However important they may be in themselves, we feel that a change in the structures underlying this situation is even more urgent. I am thinking, in particular, of the inadequate training of many women in active employment which results in limited prospects of promotion and of the fact that, in the area of pensions in general, and in regard to the position of female workers in the system of social security in particular, there is a backlog which is also present in the fiscal policy area.

We are well aware that there are hundreds of thousands of male workers who have inadequate training and limited prospects of promotion, but in our view, this is cold comfort to women workers. The Committee on Social Affairs and Employment, therefore, urges the European Commission and the governments of the Member States to take action designed at achieving better training and, therefore, better prospects of promotion for women.

What is the real problem in regard to the earnings of female workers? Women who do jobs of the same value as those done by men must receive the same payment for this work. Of course, the term work of equivalent value must be defined more clearly. In our view, this could be done by using a formula such as work, which, on the basis of a generally accepted system and of job evaluation, is equivalent to other work. If we use this formula, it is immediately clear that, in a comparison between the wages of men and women at present, the statistics of wages earned cannot be used, although this is often tried. Factors such as different levels of skills, the age pyramid, shift work and night work play an important part in the statistics. For this reason, we cannot conclude that there is a difference in remuneration on the basis of statistics of wages actually earned. What is necessary is for separate wage groups for women to be removed from collective labour agreements and separate job groups for women workers to disappear, both in theory and practice, from the system of job evaluation. I say specifically 'in theory and practice' because it may be theoretically possible to assert at a particular point in time that there is identical remuneration on the basis of job classification and other factors, but also because it must be noted that, in a number of function groups of the job' classification, women alone are employed in some cases, which also represents a form of discrimination. All forms of discrimination must disappear, not only from collective labour agreements but also from the system of job evaluation as such.

Van der Gun

The directive proposed by the Commission may make an important contribution to this. I say 'an important contribution' because there is naturally no certainty that the directive will, in practice, lead to the disappearance of all forms of discrimination. That is not only a question of a political instrument with which all kinds of problems can perhaps be solved. There is also a question of mentality. We, therefore, urgently appeal to the governments of the Member States and the social partners to apply as completely as possible at European national level and, above all, undertaking level, not only the letter but also the spirit of the directive.

It is clear that the necessary information must be given here. That is essential. We therefore urge the Commission to ensure that information is provided. We would also appeal to working women themselves. This is in reality a question of emancipation and we feel that working women themselves have an important part to play. They could do this by organizing themselves on the widest possible scale and by exerting direct influence through their organizations on the contents of collective labour achievements, on job evaluation and on the respect for the contents of collective agreements as well as classification in the undertakings.

It seems quite inadequate to us to rely on the directive for all these things and to leave control to the public authorities. The Committee on Social Affairs and Employment has proposed amendments to a number of articles. I hope that the European Commission shares our view that these amendments merely clarify the Commission's aims. We feel that the executive could adopt all these proposed changes. In the light of these comments the Committee on Social Affairs and Employment invites Parliament to adopt the directive and the proposed amendments as fully as possible.

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

Mr Wieldraaijer. — (NL) Mr President, the Socialist Group naturally approves the directive to which the Härzschel report relates. Equal pay for men and women has been one of our aims for many years. We consider that this directive can bring us closer to the desired aim. By coordinated application of the provisions of this directive it will be possible to implement Article 119 after a delay of 16 years. In this way greater justice would be done to women workers in the EEC and a measure which distorts competition removed.

However, discrimination against women in our society will still not be completely done away with, far from it. In the area of employment alone there are all kinds of provisions and laws, collective labour agreements and so forth, which discriminate against women. Employment is not the only area where such discrimination is apparent. There is still a great deal to do if we really want to allow both men and women to participate equally in our social life.

Looking at the facts concerning the position of women in the employment process we see that they have a long working day. More than 50% of working women are married. They therefore have two jobs to perform at home and at work. They often take up employment when they are young and have no training. There is often sharp demarcation between jobs performed by men and women associated with differences in earnings. Women still mostly work in weak sectors such as the clothing industry, laundries, food factories, retail trade and so on. Weak branches of industry lag behind in wage payments. They often work in small undertakings with less possibilities as regards earnings and working conditions. They are less well trained. The result is that they have less or no chance of promotion. More than half the wage-earning women in Germany, France and Italy have only been to primary school. In the Netherlands 78% of women workers with more than 15 years of employment perform simple manual work. The extra advantages often contained in collective labour agreements do not apply to women.

In most Member States there is no objective job evaluation system. This too leads to a wage lag.

In many cases women must do more than men to be recognized as equally competent in the same job.

Mr President, I could continue in this vein but time is short. I would like to say, however, that the present situation of women workers in the Community is an accusation against our male dominated society and against those men who give the lead in political economic and social organizations. It is abundantly clear that this directive is not enough and that a full programme is needed to ensure equality for women in our social life.

I would ask the Commission of the European Communities to explain in this debate what it intends to do here.

In the motion for a resolution the Committee on Social Affairs and Employment has mentioned a number of points on which the Com-

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mission of the European Communities can take action. I should like to add a few further points.

The motion for a resolution refers to an improvement of occupational training and to in-service and continued training so that women even if they have ceased work for some time because of other obligations, can make a new good start in active life. I am thinking of the role that the Social Fund could play here: removal of legal or de facto limitations on access to certain professions. The educational system which attributes different roles to girls and boys should be replaced by education based on the principles of emancipation. I would also add that there is a need for a study of discriminatory provisions in social insurance legislation and an examination of the possibility of a directive on this matter.

In addition to the improvement of occupational training and in-service training it is very important for more girls to take part in further and higher education. It is also important for part-time jobs to be available on a wider scale both to men and women.

It is vitally important to set up well-run kindergartens based on the principle of ability of parents to pay.

I feel that we should also take a look at the operation of employment agencies in the Member States to see how far they keep registers of male and female occupations thus creating discrimination and how far they adopt modern attitudes in placing female workers and to what extent they make more information available to women who wish to return to employments after an interruption for varying lengths of time.

In my view there are many points to be mentioned which, included in a programme, could lead to the disappearance of many discriminatory provisions in the near future.

For the Commission of the European Parliament it is not only a question of organizing or setting up programmes; the question is whether there is any chance of achieving equality for men and women in society. And that is a matter for the coming generation in particular.

In this connection I would suggest to Mr Hillery that, for example, in application of article 119 of the EEC Treaty a European education project should be developed under which teachers of both sexes, especially in vocational schools and in secondary and higher education, could discuss this matter with young people.

Three themes could then be raised, namely, application of article 119, equal participation of men and women in social life and the role of the EEC in this entire process.

I would ask the Commissioner—we discussed European education projects this week—to consider this suggestion with his colleague Mr Dahrendorf. Equal participation in social life is a problem to which a Community solution must be found. In this way more people should be ready to take an active part in removing discrimination against women in society. The Socialist Group willingly supports the Commissioner in his efforts to apply article 119 and urges all men and women in the Community to take energetic action to remedy this shortcoming in the EEC in this area.

President. — I call Lady Elles to speak on behalf of the European Conservative Group.

Lady Elles. — Thank you, Mr President. It gives me great happiness to hear so many of my male colleagues supporting this motion. The implementation of Article 119 is a very worthy objective of the Commission of the European Communities. But, as I have always understood the interpretation of Article 119, it relies on Member States to introduce legislation within their own nations in order to implement legislation on equal pay. I therefore make an appeal to the Commission to take a rather wider view of this subject based on the United Nations' Declaration on the elimination of discrimination against women, which includes the removal of discrimination in pay and working conditions.

It must be obvious to members of the Commission, as it is to members of this Assembly who have spoken, that the introduction of legislation on equal pay which has been enforced in nearly all the Member States of the European Community does not achieve the object which it is intended to achieve. Such legislation has, indeed, been supported by judgments in cases which have come before the European Court of Justice, for instance, on the question of extra payment to women members who are serving in Community institutions outside their own Member State.

I would refer in particular to an area of which I can speak with a certain amount of knowledge, and that is the question of labour and pay conditions in the United Kingdom. We have had the Act on equal pay for men and women since 1970. Four years later, the average pay of a female unskilled worker in the manufacturing industry is just over £21 a week. The pay of the equivalent male unskilled worker in the manufacturing industry is just under £42 a

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week. That is almost double. It is obvious that the mere introduction of legislation on equal pay does not achieve the desired object.

I would go further and refer the Commission to studies which have been made of the position of migrant workers, and in particular women migrant workers who receive very much below even half the average salary of the equivalent male worker. It seems to me, Mr President, that the present draft directive before the Council, which is, as I say, a very worthy document, is not entirely adequate from a legal point of view.

I understand that there is some kind of legal impediment to changing Article 1 as drafted in the directive because it would not accord with Article 100 of the Treaty. Nevertheless, the Commission said that they will undertake certain actions which will enable equal pay objectives to be reached in the future. If the Commission finds there is a legal impediment in the Treaty so that they cannot impose legislation on Member States to achieve equal pay now, what action will be taken to achieve equal pay in the future? It therefore seems to me that the Commission might turn its mind to finding ways of getting round this legal impediment to advance the proposition of equal pay for women earlier than envisaged in its long-term programme.

It is obvious that, by itself, the legislation on equal pay does not establish equal pay. What we require are certain standards which control the terms and conditions on which work is contracted to women when they take up employment. In this Parliament we are all aware of the many ways in which employers and trade unions get round these problems so that women are paid less for the work they do than men would get for doing that work. They do it by way of classification of jobs and categories of work, or by calling a job done by a man highly skilled whereas they would call the same job done by a woman unskilled.

There is also the question of legislation which prevents women in certain types of work from doing overtime, so that the average working week of a woman is 37½ hours whereas the equivalent for a man is 40 or 42 hours.

Although there is discrimination against women in terms of income, there is no such discrimination in regard to outgoings. I have yet to be given a reduction in my bus fare or my train fare or in my rent or electricity bill, or my telephone bill, merely because I am a woman. Nevertheless, my salary for doing a particular job would be much less than a man would receive for doing that job. The results are seen from the social position of families within the Community, where although so many women are

left to be responsible for their children in appalling conditions they are not able to earn a full and proper salary in order to pay not only for today's outgoings but to meet the very high rise in the cost of living with which we are now all faced. We are getting rather tired of the continual excuse that because women withdraw from the labour market to have their families, they cannot be regarded as reliable. On the whole, women who have had families become much more responsible. They bring a new dimension to their work when they return to the labour market. Nowadays, even men change their jobs at least three times during their working life. I take the view that looking after a family is a full-time job, which brings to women valuable experience. Let this not be an excuse any longer for paying women less money than men because they withdraw from the labour market to have their families.

I further ask the Commission to undertake a serious study of available kinds of adult education, training, retraining and rehabilitation, and especially the new opportunities provided by the many kinds of mass media, which arise from scientific and technological developments. Immense benefit has been derived in the United Kingdom from the Open University, where, only last year, over 900 women out of 3 000 students managed to obtain full-time degrees. Through the Open University education is provided through the medium of television, which can be obtained at home without having to go outside to do courses.

These are the few points that I wished to make which have not all been covered by other speakers. An amendment to Article 4 in the draft directive recommends the insertion of a paragraph which reads:

'...any occupational category that is based on a distinction between male or female duties or posts shall be prohibited.'

That is not entirely reasonable. There are some jobs in respect of which we would not expect no differences at all. Similarly, I do not see why we should not get more pay than men in some cases.

I do not believe that this is necessarily a reasonable amendment. I can think of many jobs that women cannot do as well as men, and would not pretend to do as well—jobs involving heavy physical work or, in my country, work in the police force. It is not reasonable or likely that a woman would be placed in the kind of dangerous position in which male police officers are put. Quite rightly, women police officers would not expect the same sort of salary as their male equivalent, because there would not be the same

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physical risk for them. We have to use a certain amount of judgment in each individual case.

Nevertheless, I appeal to the Commission to take a slightly more realistic view of the need to try to establish the principle of equal pay when taking into account terms and conditions of work which are ultimately the same, as sole criterion by which women will be able to obtain the right kind of salary for the right kind of job, so enabling them to meet the out-goings with which they are now faced.

President. — I call Mrs Goutmann to speak on behalf of the Communist and Allies Group.

Mrs Goutmann. — (F) Mr President, ladies and gentlemen, Article 119 of the Treaty of Rome, and Convention No. 100 of the International Labour Organization, required Member States to introduce the principle of equal pay for men and women workers by the mid-sixties. Well, we are now in 1974 and there has been scarcely any change; in fact, in a number of Community countries there has even been a deterioration, despite the existence in those countries of legislation recognizing the principle of equality. These laws are on the statute books because, thanks in large measure to the workers' struggle, and more particularly that of women workers, it has become difficult in this day and age to deny the justice of this principle; however, words are not deeds and there remains a big gap between the letter of the law and its application in reality.

In all the countries of the Community considerable margins remain between the gross hourly rate in industry for men and for women: in the Netherlands this is 40%, in Belgium it is 34.6%, in the Federal Republic of Germany it is 30%, in Italy it is 27% and in France, 23%.

These differentials have grown even worse in 1956 and in 1972, particularly in Italy and in France, but, speaking only for my own country, I should say that this is all the more shocking inasmuch as women represent 37% of the active population, the female wage-earning population grows at a faster rate than its male counterpart, and the active female population increases by 100 000 to 150 000 annually. In our country, lumping all categories together, the difference between male and female wages was 35% in 1972; women account for two-thirds of the lowest-paid category of wage earners; one woman out of two gets only the guaranteed minimum wage. The position amounts to a real penalization of female labour, which is due to the fact that employers practise discrimination, not merely in the matter of remuneration,

but also in the classification of jobs, in qualification, promotion and professional training.

In the matter of remuneration, there are considerable differences in real wages. Those public bodies and industries which employ female labour predominantly are among the poorest payers. Thus, for example, the average hourly wage in the textile, clothing, leather, fur and food industries is 33% below the average hourly rate in the metalworking industry. Discrimination occurs also by downgrading. There is of course no justification whatsoever for the non-recognition of equivalent qualifications as between trades which require certificates of professional competence or other diplomas. Where men and women have equal qualifications, the latter do not stand a fair chance, in the matter of classification or of promotion, because Works Managers will not appoint women to posts corresponding to the qualifications they possess.

It is not at all uncommon for women holding certificates of professional competence to be engaged as semi-skilled labourers and paid accordingly. The majority of them are to be found in the least qualified jobs. They are confined to the categories of manual labour, domestic service and clerical work. The same sort of discrimination exists in the specifically 'feminine' professions, such as teaching and the health services.

Women form a majority in the teaching profession, but their relative numbers decline as one goes up the ranks to certificated professors, etc. There are very few women to be found at 'agregé' level. In the health services the position is much the same: plenty of women employed as juniors, ward assistants, nurses, etc., but few women doctors.

These examples serve to show that the percentage of women in responsible positions does not correspond to their numbers or to the part they play in production.

In France, 34% of the wage-earners are women, but they account for only 11% of the technicians, 6.8% of foremen, 12.8% of the administrative staffs, and 3.4% of graduate engineers. On the other hand, 29.6% of manual labourers and 22.9% of semi-skilled workers are women. This systematic downgrading has its repercussions on retirement pensions for women.

The unequal position of women as regards remuneration, qualification and professional training, finds its reflection in unequal conditions of work. Indeed, the general tendency to try to get the maximum output or productivity out of a worker applies with even greater

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rigour where women are concerned. It is linked with the concentration of women in the semi-skilled categories, where monotonous, repetitive and exhausting motions have to be made at an ever increasing tempo. This relates further to the inadequate basic rates which push women to try to raise their income by stepping up their speeds and increasing their yield.

Finally, unemployment, which is the scourge of capitalist countries and of the inflationary epoch we are so familiar with, hits female workers hardest. Women and girls account for 53% of the applicants for work in Paris, and 65% in the provinces.

I must also insist on the fact that woman has a double social function, and that there can be no real right to employment while her other function, that of maternity, is not given its proper due.

True equality does not imply an identity of the sexes; equality at work must rest on a considerable body of social measures aimed at simultaneously safeguarding maternity, the right to work, the choice of a trade or profession with the appropriate training and refresher courses and social promotion corresponding to the needs of our time.

This is the real price of equality of opportunity as between men and women, and of their equality in employment. This shows the magnitude of the action which needs to be taken if genuine equality between male and female wages is to be achieved.

This situation is very rightly accented in the report on the directive on the harmonization of male and female wages. This leads me to voice a few reservations on the report itself and on the resolution, and to raise some doubts concerning the effectiveness of our action.

One of the great hopes for Europe had been that it should be a welfare society. The failure of this endeavour, seventeen years after the Community was founded, is one of the most disquieting, as well as one of the most substantial and important aspects of the crisis which affects all the capitalist countries, and more particularly the countries of the European Economic Community.

This should occasion no surprise. As long as the European setup remains at the exclusive service of the monopoly interests of international companies rather than at the service of the working populations of the Community, as long, that is, as the profit motive remains the guiding star, it can scarcely be otherwise. The continuing discrimination between the sexes, the over-exploitation of female labour, the non-recognition of the social role of maternity, the continu-

ing inferior status of women before the law, are inherent in the capitalist system, in the principle of profit; recognition of equal rights for women, the means to their emancipation, presupposes the disappearance of this regime of exploitation.

So let us not lull ourselves to sleep with pious declarations and high-sounding directives. Let us not delude ourselves with legislation which, under the present system, remains a dead letter, or be hoodwinked by the idea that this is just a question of prejudice or mentality, and that we just want to set up a feminist society against a man's world. Economic, social and political measures need to be taken if women are to play their full parts.

This is advocated in the common programme of the United Left in France. A truly democratic France, which we hope and trust is on the doorstep, will leave no stone unturned within her territory and at Community level, in the cause not merely of the recognition of women's rights, but also of their guaranteeing and practical enforcement. At Community level we cannot just congratulate ourselves on the existence of article 119 of the Treaty of Rome, when all it amounts to is a piece of paper. This principle needs to be matched, on the European scale, by legislation which is binding on the employers and involves serious penalties for contravention, and which gives greater power to joint production committees and trade unions. It is essential that any collective agreements or unilateral decisions which are contrary to this principle should be null and void. Before these penalties can be imposed, the cases where existing legislation has been disregarded must be known. For this reason we recommend the compulsory introduction of annual reports for all undertakings employing fifty people or more. This report would serve to account for the way the regulations have been observed in the matter of the professional training and social promotion of women, which is a prime necessity if we are to achieve real equality of remuneration as between men and women.

It is also necessary to establish a procedure of resort to law for workers who suffer as a result of disregard of the regulations.

The Netherlands is the only country in the Community which has no legislation on equal pay. Belgium has recently adopted a law under which complaints can be taken to court. There is provision for resort to industrial courts in Federal Germany, but their powers are weak. Italy has provision, but resort is ineffective because it is not matched by penal or administrative sanctions. In Great Britain, progress is

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slow and weak. In France, no legislative basis has been spelled out for resort to the conciliation boards by wage-earners suffering from discriminatory practices, and no penalties are provided for offenders.

It is therefore necessary not only to bring about a harmonization of legislation, but also to extend to the European scale the scope for resort to law on the part of Works Councils, trade unions and workers of both sexes, as well as the provision of penalties for employers who break the law. It is also and above all essential to take the political and economic measures which are necessary to ensure that the law is obeyed. Only a Community which has freed itself from the shackles of the multinational companies and which takes effective action to meet workers' needs, can accomplish this task. It will take a democratic Europe, providing wide scope for the initiative and action of workers of both sexes, to ensure that the principle of equality is realized.

(Applause from the Left)

President. — I call Miss Lulling.

Miss Lulling. — *(F)* Mr President, ladies and gentlemen, in the conclusions of its report on the application, on the 31st December 1972, of the principle of equal pay for men and women, the Commission of European Communities states: 'Now that over fifteen years have elapsed since the Treaty of Rome was signed, eleven years since the resolution of the Conference of Member States and eight years after the final stage provided for in that resolution, it has become imperative to give a decisive impetus to the complete solution of this problem.'

The fact that, twelve years after the time stipulated in the Treaty for putting into effect the principle of equal pay, the Commission should consider that it has 'now' become imperative to give a decisive impetus to the realization of a provision which should have been carried out nearly thirteen years ago, highlights the interest and the priority accorded to this problem at Community level.

If I cannot help giving expression to a certain amount of bitterness today, this is not meant as a reproach to the Commission. Anyone wanting to throw stones should not aim only and in the first place at the Commission, but rather at the national governments and at the social partners, especially at all who decline to consider woman as an independent being in her own right in our society.

The problem of equal pay cannot in fact be solved by means of prohibitions or penalties. Of course, the draft directive covered by the report under discussion may have a part to play in the perfecting, and particularly in the harmonizing of the legislative, statutory or administrative provisions which help to reinforce the formal acceptance of this principle of equal pay.

When, on the 31st December 1975, the minimum provisions of this directive will have been embodied in the national legislations, we shall indeed have done everything possible on paper to ease our consciences. We shall not stand guilty before any authority of having failed to honour this holy writ in every form—as recommendations, resolutions, European directives, legislative provisions, statutory or administrative provisions at national level.

But what are we really going to do about it?

It cannot be denied that, ever since 1958, efforts have been made to improve the remuneration of both men and women at work. But all the surveys which have been made, and particularly the recent one on the working conditions of women wage-earners in the six countries of the Community—I was a participant, both as expert and as rapporteur for my country, the Grand Duchy of Luxembourg—which was conducted by the 'Centre national de sociologie du droit social' run by Mr Troclet, a former member of this House, that conducted by Mme Sullerot on the employment of women, as well as other communications which have just come in—all these documents go to show that the gap between male and female wages remains considerable and is still roughly the same as it was in 1968. Thus in France, for instance, women remain the 'decorative addition' to the labour force; the exceptions confirm the rule that woman is not integrated either in the economy or in society. It is cold comfort to record the fact that this problem has not been solved by any society, even though our rapporteur thinks it can be said that, comparatively speaking, the position of woman is better in the USSR. Some might well ask whether democratic liberties, and the standard of life of both women and men, are not greater or better in Europe than in the USSR. I shall not, however, go into this side of the problem, nor will I enter into the detail of the proposed directive or even of the minor changes proposed by the Committee on Social Affairs and Employment.

This directive, however amended, will never be more than a piece in a jigsaw puzzle, and, as far as equal rights for women are concerned, just another of the good intentions with which the way to hell is paved.

Lulling

I am not, praise be to God, a feminist who would like to wish away the differences between men and women. I do not think of an ideal society as one in which all women work away from the home and no woman raises her own children.

But I also think that the present division of labour and the respective roles of men and of women are harmful and discriminatory. Unhappily our society has a tendency to underestimate everything that has to do with the role of woman as mother. This under-valuation is extended to every aspect of woman, even if she is not, or not yet, or no longer, a mother.

For this reason I remain deeply convinced that the abolition of all the discriminations which hit women at present, not merely in the matter of remuneration but also in that of access to employment and promotion, can take place only if it is coupled with a re-evaluation of maternity as a social function.

I have always regretted, and still do, that the Commission's draft recommendation for the harmonization of maternity care concerning which I had the honour to submit a report to this House in 1966, was abandoned. I remain convinced that the draft directive we are now discussing should be twinned with a draft directive on the protection and re-evaluation of maternity, so as to prevent women in employment—who, if married and young, run the risk of becoming mothers—being a burden or handicap for their employers. In addition to the measures of prohibition and of penalization for offenders which the directive we are discussing today envisages, it would be necessary to draw up an entire programme of positive measures aimed at improving the position of woman, both in society and at work.

Whereas legislation on the rights and duties of marriage partners, matrimonial regulations, family law, fiscal law, all give married women a special place different from that of men, it would be foolish to believe that their position on the labour market is likely to improve. The imperative need is a change of attitude a start must be made by changing the methods of educating girls.

It is necessary to combat the idea that their chances of happiness are inversely proportionate to their degree of education, i. e. that the more independent and knowledgeable they are, the less likely they are to find a husband and happiness. We must stop giving them the idea that their happiness depends more on their physique, their choice of wardrobe or their makeup foundation than on the successful completion of their studies.

And, gentlemen, it is time we put an end to those cartoons which suggest that the mini-skirt is a better trump-card for success in the office than, for example, the ability to draft a faultless letter.

It is time parents ceased assuming that professional training is much less important for their daughters than for their sons, because they are expected to marry and have children.

I am convinced that, if the work of women is to be fairly valued, all this will have to change. In order to bring this about, action will have to be taken at all levels: school, legislation on the family, effective protection of motherhood, tax relief for married women.

It is however also necessary to stimulate the ambition of women, and perhaps even instil some fighting spirit into them. We must get them to shoulder their responsibilities as citizens. In my view, the United States set us a very good example in this field with their 'affirmative programmes' in business. Thus, for example, the Head Office of the Bank of America has appointed a young woman whose job is to see to it that women stand the same chance as men in the matter of access to employment and promotion. It is only if we act at all levels—preferably within the framework of the social action programme—that the directive proposed by the Commission can constitute one gesture among others contributing to the task of giving woman at work, as well as in society, a place which, though it need not be in every respect identical with that of man, should be at any rate equal to it.

(Applause)

President. — I call Mr Albertsen.

Mr Albertsen. — (DK) I have asked to make a few remarks on this proposal for a directive although I am not on the list of speakers, not because I want in any way to express disagreement or dissatisfaction with the aims of the directive but with the premises and information given.

I can make these comments on behalf of the whole Danish delegation because our complaint is that the document submitted by the Commission has been prepared on such an inadequate basis that we do not think it should have been put before Parliament.

As I have said, there is no question of our contesting the validity of the Community's attempt to implement the provisions of the EEC Treaty on equal pay for men and women. The point is first and foremost that we have here an example of how the Commission has

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submitted a fully-fledged proposal for a directive on implementation of the principle of equal pay before studying the situation in the three new Member States. The document before us contains no information on the United Kingdom, Ireland or Denmark.

As far as Denmark is concerned, the result of this rather unbusinesslike procedure is that the decisions reached on the introduction of equal pay in Denmark are completely out of step with actual facts. The Commission has taken the liberty of drawing conclusions from the studies made towards the end of 1972—in other words, when Denmark, Ireland and the United Kingdom were not members of the Community. But the information should obviously have been updated.

The fact is that such radical changes were made on the subject of equal pay in the Danish labour market in 1973 that they cannot be disregarded by the EEC when it assesses the situation in 1974.

The Commission's conclusions on the situation in Denmark are thus completely wrong. After the conclusion of the collective agreements in Spring 1973 which took immediate effect, Denmark has applied the principle of equal pay in both the private and the public labour market. There is therefore no reason for the Commission to request Denmark to take all the measures necessary to fulfil the requirements of Article 119 of the EEC Treaty. This was pointed out by the Danish government, the Danish Employer's Association and the Danish Council of Trade Unions in a joint statement to the Commission on 29 March which has the full support of Danish members of Parliament.

I must however point out that in spite of the fact that there is agreement in principle to the need for equal pay for equal work, there can be no doubt that the EEC directive does not contest the right of trade organizations freely to implement the provisions of the agreements.

The principle of job classification so unequivocally advocated by the Commission is a system to which the trade organizations in Denmark are opposed.

With this in mind, and in accordance with the views I expressed in the Committee on Social Affairs and Employment, I therefore recommend that before data and directives are forwarded to the respective member countries, a check should be made that the information is up to date and tallies with the actual situation in the nine member countries, that information which is relevant only for 1972 is not distributed, and that consideration should be given to

the fact that in the meantime three new member countries have acceded to the Community. It would therefore be advisable to hold a new meeting between the Commission and the organizations concerned to bring both the report and the conclusions into line with the actual state of affairs in Denmark and other countries.

President. — I call Dr Hillery to explain the Commission's position on the proposed modifications.

Dr Hillery, Vice-President of the Commission of the European Communities. — Mr President, may I first deal with what was described as the position of the Danish delegation? I do not know whether it is the Danish delegation to the Parliament or the Danish delegation to the committee. If the situation in Denmark is already satisfactory, there will be no problem in applying this directive in Denmark and it will not create any problems to give women certain rights and protect those rights. Many speakers, not in Parliament but from Denmark, have said to me, you must not do this because things are already perfect. If we accept that one country has done what nobody else has done—I do not accept it—we can only hope to bring all the other countries up to that standard.

We have made an examination of the old Member States and of the new Member States, information about which is available to us, and on the basis of this information we find it necessary to have a directive. I very much regret it if any group of parliamentarians takes the attitude that directives must not interfere with national law. As I say, if the national law is perfect, the directive will cause no trouble. If it is not adequate, the directive is necessary. That is my position. The information we have is quite up to date. We have had a recent meeting of the Working Group on Article 119. It is a tripartite group and our information is up to date. The Commission's position is that this directive is necessary, and, from what we have heard in this Parliament, it will not be enough. It is intended only to deal with the lack of implementation of Article 119, which gives the right of equal pay for equal work. But the discrimination against women in our developed society goes much deeper than that.

The most blatant and inexcusable discrimination is that a woman doing the same work as a man should be worse paid. There are other discriminations, which make it equally difficult to solve all the problems raised here. There is discrimination in access to employment. Such access, from the very beginning of a woman's rearing in the home to her schooling, is psychologically

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blocked off from her because she does not aspire to certain careers. Neither is training made available to her for those careers.

I could not agree more with Mr Fellermaier on the educational aspect. I have already discussed it with my colleague, Professor Dahren-dorf. I maintain that the educational obstacles to women's aspirations to full access to various careers, which up till now have been only for men, should be removed.

A third discrimination has been mentioned here, and that is the discrimination against women arising from the duties which they fulfil for society in relation to the family. Employers seem to work on the assumption that women have babies every year of their working lives. It is not true. Even if it were, having a baby and the rearing of families is a duty to society.

This discrimination has to be countered in another way. It cannot be countered under Article 119. This directive is the first important legal step, and I should like to point out what it sets out to do. The main goals are, first, to generalize certain minimum protection standards, such as those evolving from the already established interpretation of Article 119, which will ensure that legal proceedings can be instituted so that the right to equal pay is respected. At the same time, any discrimination existing in law affecting wages would be eliminated. We believe that it is also necessary, from our studies, without calling into question the independence of the two sides of industry, to make ineffective any provision of agreement or contracts which are contrary to the principle of equal pay.

Since the fear of dismissal—and this is shameful—is a major restraining factor on individual initiatives by women aimed at earning respect for their right to equal pay, it seems necessary to make illegal any dismissal which follows as a result of suits or complaints; and in the same vein, that of affording protection to workers, there should be provision for the imposition of penalties on those employers who do not respect the principle of equal pay, and to ensure that employees are better informed about their rights.

While still dealing with Article 119 and this directive, I wish to say we have examined with the greatest interest the amendments proposed. There are several worthy suggestions, but I have doubts on the amendment proposed to Article 1, which seems to go beyond the scope of Article 119, even in its broadest interpretation, and raises very difficult legal issues. I do not think it will be possible to handle the prob-

lem which the mover of the amendment wants to deal with in this fashion. We shall have to deal with it by other initiatives.

We have taken other initiatives in the Commission. Perhaps I should mention that we have followed up the formal notice, in the conclusion on the latest report to the Council on equal pay, of the Commission's intention to start proceedings on the basis of Article 169 of the Treaty against certain Member States which have not accomplished the formal and direct obligation imposed by Article 119.

The Commission also adopted one of the suggestions presented by the Resolution of the European Parliament in 1971 on the state of implementation of the principle of equal pay, and will soon promote the negotiation between employers and unions of a European agreement concerning the points regulated by collective agreements and the system of job classifications.

The Commission feels that such an instrument is necessary since the national legal systems, to which alone the directive is relevant, do not cover the most important points for the implementation of equal pay reserved to the decision of social partners in systems of free negotiation.

Assistance will be given to drawing up this agreement by a study which has already been done. It was requested during the debate. It was carried out by experts on classification systems in the light of the principle of equal pay for men and women.

As Parliament can gather from what I have said, we are conscious that various measures will not solve the problems met by women—not all the problems—in their work. That is why, following on the Commission's proposals to the Council and the resolution for a Social Action Programme, the Council has expressed the political will to take measures during the first stage up to 1976 to achieve equality between men and women as regards access to employment, vocational training, promotion and also working conditions.

An *ad hoc* group of interested people has been set up to look into the problems of women in employment and to advise the Commission so that concrete proposals can be submitted to the Council before the end of this year.

For that reason we shall be coming forward with proposals—and, once more, to you for discussions—to meet the other problems of discrimination met by women. But, for this day and for this directive, we are dealing with the implementation of Article 119. We leave for another day the problems of women's access to

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employment, their education and also the problems created by their carrying out their social duties in raising families.

President. — Thank you, Dr Hillery.

Mr Albertsen wishes to clarify a point.

Mr Albertsen. — (DK) So that there is no doubt about the Danish delegation's position in the present discussions, I should just like to repeat that we are in complete agreement with the objectives of the directive. We followed the same general lines before Denmark became a member of the Community, and we want to continue to do so.

I believe that one of the decisive factors which led to Denmark's membership of the Community was precisely the argument that there was agreement with the provisions of the Treaty of Rome on equal pay for men and women.

What I was talking about was lack of information and insufficient consideration of the situation in the three new member countries, and I added that developments had taken place in Denmark in 1973 which Mr Hillery would not be familiar with, just as Mr Hillery and the Commission are unfamiliar with the information submitted to the Commission on 29 March 1974.

The present position is that we have made the relevant arrangements on the free labour market and have therefore done what the other member countries are now expected to do.

When I spoke—and I fully understood the irony of the remark that I could do so on behalf of the Danish delegation—it was precisely because the conclusion could be understood as a reproach because of the way in which it was worded. But now I must defend the Danish government's position on the subject and I shall refrain from speaking on behalf of the British or Irish, I leave that to them. As far as Denmark is concerned they are barking up the wrong tree. As I understand it, we must ensure that the information collected and presented takes account of developments, so that we don't help to reduce respect for the Commission. But this is obviously something in which the Commission is not interested.

My remarks were meant to be constructive and I hope they will be accepted as such.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

I call Mr Wioldraaijer.

Mr Wioldraaijer. — (NL) Mr President, maybe I am mistaken, but I believe the Härzschel report contains a number of amendments to certain articles. Should you not put these amendments to the vote?

President. — They have been adopted by virtue of the fact that we have adopted the resolution as a whole.

I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — I did say that there was a problem on the amendment to the first article.

President. — We are aware of that, Dr Hillery. None the less, I think it was the wish of the Parliament to adopt this resolution even if it is not exactly in accordance with the views of the Commission.

6. *Activities of the new European Social Fund* — 1972

President. — The next item is a debate on the report drawn up by Miss Lulling, on behalf of the Committee on Social Affairs and Employment, on the first report on the activities of the new European Social Fund—financial year 1972 (Doc. 18/74).

I call Miss Lulling, who has asked to present her report.

Miss Lulling, rapporteur. — (F) Mr President, this first business report of the new European Social Fund covers only a few months, i.e. the period between 1 May, when the renewed Fund was set up, and 31 December 1972. The lessons learned during this short running-in period certainly do not enable the European Parliament to exercise the knowledgeable and effective supervision in the political and budgetary spheres which is the aim of the discussion of the annual report on the business of the Social Fund, and this was in fact originally set up at the instigation of this Parliament.

Your Committee on Social Affairs and Employment, which happily is in possession of supple-

¹ OJ No C 55, 13. 5. 1974.

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mentary facts and information from the Commission on budgetary and other problems which the Fund now has to deal with, has taken the opportunity to make certain suggestions arising out of the present economic situation, which has changed considerably since the first report was drawn up,

Before coming to this part of our report I should, even so, like to call attention to a state of affairs which your Committee must be aware of, namely, that the requests submitted in 1972 by Member States were aimed at obtaining Community financing for operations carried out to solve problems arising neither directly nor indirectly out of the functioning of the Common Market, and that schemes for operations aimed at adapting the supply and demand on the labour market to the needs of technical progress, for example, were too rare.

This is all the more regrettable because the Commission, lacking adequate credits, is forced to make a choice, affecting both the requests put in and its own proposals, to widen the scope of Article 4 to include new fields of intervention.

In the present situation, Mr. President, it would hardly be realistic to claim limitless credits for all schemes submitted.

Personally, I take the view that it would be a mistake for Community solidarity to step in the breach to meet certain national deficiencies. To ask the Community to finance and carry out actions which are not within its competence and which do not contribute to the progress of economic and social integration, would even retard the progress of the Community.

It is also important that the financial resources of the Fund be spent as judiciously as possible, while reserving priority, in the present economic and political situation of the Community, for anything which can assist the Community's harmonious development, and more particularly progress towards economic and monetary union.

We therefore give our fullest backing to the choice of this very judicious criterion, which gives priority to actions undertaken within the framework of common policy.

This justifies widening the scope of Article 4 to include the handicapped, migrant workers, and agriculture.

But we also think it would be appropriate to consider using Article 4 to the end of promoting the achievement of a common policy on equality for men and women. Mr Hillery

has just told us that the problems I have been discussing—namely, access to employment, training and promotion on the job—must be solved within a different framework from that of the directive.

Such a measure appears all the more necessary because the present provisions of the Social Fund for the re-training of women over thirty-five are too restrictive to be efficient or even feasible.

I am well aware of the fact that the present trade conjuncture is hardly propitious for such a measure, which would stand a better chance of success in the event of a great labour shortage. But for those among us who regard the re-training of women over thirty-five as a measure guaranteeing women the right to employment and free choice in the exercise of a trade or profession, such a measure would have to be carried out independently of the trade conjuncture.

Your Committee on Social Affairs and Employment has also used this opportunity to recall the approval it gave to the Commission's proposal to the Council regarding intervention of the European Social Fund in favour of persons employed in the clothing sector, and to ask the Council to reconsider its negative attitude towards widening the scope of Article 4 so as to include action on behalf of persons employed in this sector.

We also ask the Council to reconsider its negative attitude with regard to the provision of assistance, over a period of up to six months, to persons awaiting re-employment after their re-qualification.

In view of the fact that the European Social Fund should be above all a means to full and better employment, we wanted, in our resolution, to draw the Commission's attention to the consequences which the present energy crisis may have for employment in certain regions.

We suggest that the Commission should examine the possibility of including in Article 4 any remedial action necessary in the sphere of employment, called for by structural changes related to shortage of fuel and rises in the price of fuel. May I lay stress on the importance we attach to this paragraph of the proposal for resolution.

Finally, in my capacity of rapporteur, I should like to underline the observation of the Committee on Budgets drawing attention to the worrying problems which arise out of the supervision of operations involving the Fund and we recommend that the Commission should

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provide space for these problems in a chapter of its report on the business of the European Social Fund in 1973, a report which we trust will be submitted to us in good time and will enable this Parliament to exercise an informed and effective political and budgetary supervision over the new European Social Fund.

Mr President, it is on behalf of the Committee that I shall ask the House to vote on our proposal for a resolution, and on behalf of the Socialist Group I state that we shall vote in favour of the proposal for a resolution.

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

Mr Van der Gun. — (NL) Mr President, on behalf of my Group I wish to thank Miss Lulling for her report. On the basis of documents which gave little basis for the compilation of a report and in conjunction with the fact that the new fund has been in operation for only a very short time, Miss Lulling has nevertheless prepared a motion for a resolution which is further explained in an impressive report. Her oral explanation was also excellent.

I would like to hear from the Commission why they have made so little use of the possibilities of the new European Social Fund. Miss Lulling drew attention to the fact that the Fund could be used in the agriculture and textile sectors. Is this a matter of information or do other elements play a part in the fact that so little use is still being made of the possibilities?

President. — I call Lady Elles to speak on behalf of the European Conservative Group.

Lady Elles. — Like Mr Van der Gun, I wish to express the thanks and congratulations of the European Conservative Group to Miss Lulling on her excellent report. I merely suggest to the Commission that a much wider use could be made of the European Social Fund in view of the many social and economic problems that we shall face in the near future, in particular in relation to employment.

We have already discussed many of these subjects this morning. The widening of the scope of the fund could be of immense benefit to those Member States that are suffering and will suffer from the various forms of economic crisis with which we are faced in the coming months, not only in certain Member States but in certain sectors of employment, especially in relation to the rehabilitation of women and

retraining. There is also a problem that might come up in regard to the ECSC Fund—the question whether miners should be retrained for coal working in view of the energy crisis with which we are now faced.

On behalf of my group, therefore, I once more thank Miss Lulling for her excellent work and ask the Commission to enlarge on the possible extension of the scope of the European Social Fund for the benefit of retraining of employees throughout the Community.

President. — I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — I thank Miss Lulling and the Committee on Social Affairs and Employment for a very thorough and constructive report on the activities of the Social Fund in 1972.

I emphasize that the next report will contain much more of the detail requested by the rapporteur and will provide a far more adequate basis for the assessment that we want to make than was possible in this initial report, which covered only a few months. The 1973 report will be ready within the prescribed time. The difficulties that existed owing to the enlargement and reorganization have been largely overcome by now.

The new report will reflect the experience of two years—1972 and 1973—and will enable us to give a more valid judgement of the real potentials and limitations of this Community instrument for an active employment policy in the Community. I regard the European Social Fund as such an instrument of employment policy.

It is clear that, given a fixed budget which is quite insufficient to cover the applications made and even more inadequate to cover potential applications which could be made, it is necessary to use a rigorous method of selection. If this selection is not to be arbitrary, it entails a Community policy for which the Commission would have day-to-day responsibility in collaboration with the tripartite Social Fund Committee.

In 1972 and 1973, as the next report will show, and to a large extent this year, Member States have been making numerous applications for aid which conform to the legal framework decided on by the Council in 1971 but which do not in any way take into account the need for this selective policy. Without wishing in any way to criticize the policies followed by Member States in employment and particularly vocational training and retraining, the Commission

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must continue to point out that it is impossible to reconcile a restrictive budgetary policy with a system of 50 per cent Community reimbursement for national expenditure on projects in all the regions and industrial sectors considered to be in difficulties.

I think Parliament supports the request that this selection policy, which is inevitable, should aim first and foremost to defend Community interests and avoid any implications of *juste retour*. The policy of the Commission is to encourage, on the one hand, projects which have a promotional or catalytic effect, developing both qualitatively and quantitatively that which has already been done independently of the new Social Fund, and to develop those projects which fit into the Community perspective in the context of the planned employment policy, which encourages occupational, as distinct from geographical, mobility and which would assist the development of up-and-coming industrial sectors.

We do not regard this Social Fund as a kind of Red Cross in employment. We want to see it play a role in establishing durable solutions to general structural problems, and in defining where public responsibility lies in the framework of a policy of labour mobility designed to benefit the working man and woman. A policy of mobility should not be dependent on the limited responsibilities and inadequate financial resources of private or individual employers. This applies most particularly to the difficulties now arising from the energy crisis—difficulties which are likely to provoke vast structural changes and a reassessment of growth objectives. It will imply a new division of work which will affect some regions, some social groups and some industrial sectors much more than others. The consequences on the employment situation can be mitigated if there is a commitment to follow a planned employment policy based on Community solidarity. The Commission is grateful for the understanding and support of the Parliament on this issue.

As far as Article 4 is concerned, involving as it does a common policy and joint actions, the Commission shares the concern of the Parliament about the insufficient use of the possibilities presently available in the field of agriculture and textiles. This concern arises not only from the fact that there is an evident need and scope for action in this sphere but also because the Council itself indicated in its decision of 1 February 1971 on the reform of the Fund that 'in the long term, the greater part of the available credits must be reserved for action under Article 4.'

The Member States have not, in practice, followed the policy which they themselves decided

upon. If this situation does not improve, serious difficulties may arise in the future; really unjustifiable budgetary imbalances will occur, with Article 4 credits remaining partly unused whilst Article 5 credits become increasingly inadequate. I hope that this is only a temporary situation. It can be changed if a favourable attitude is shown to extending the use of Article 4 credits to handicapped and migrant workers, if better use is made of existing possibilities and if further judicious use of Article 4 is considered in connection with the energy crisis that I have already mentioned. We are aware of the fact that Article 4 is not used. The Commission's services are actively engaged in trying to determine why in certain areas of the Community Article 4 does not seem to attract the interests of the national governments. We hope to find solutions for this lack of attention.

I take note of the suggestions made concerning women's employment. We are very conscious of the problems raised. However, I wish to emphasize that the new Social Fund, particularly Article 4 operations, must not be allowed to become an aggregation of a number of unrelated categorial or sectoral interventions, however desirable. I think particularly of the proposals concerning the clothing sector. There must in each case be a precise framework for interventions.

I regard the Social Fund as an instrument of policy. It cannot be a substitute for policy. It is true that its existence can prompt the finding of solutions at Community level, but it cannot be a substitute for policy-making, otherwise we should end up with a really incoherent situation and further budgetary contradictions.

In this connection, it should be made clear that the Commission wishes very much to emphasize the importance of its preparatory studies and pilot projects. An increase in funds for this purpose has been requested in order to study and define more clearly the proper areas for intervention and thereby avoid wasting resources later on with inadequately prepared interventions.

The Commission wants to encourage a coherent and overall policy of adaptation and restructuring of the economy. We must at all costs avoid losing ourselves in numerous individual operations which have no clear aims or policies. If we work that way, we shall be open to any requests for aid or liable to proceed in a quite arbitrary selection of projects without the possibility of a consensus agreement and political support for the implementation of these programmes. I do not need to emphasize the importance which the Commission attaches to

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the indications, offered by Parliament, as to the guidelines to be followed in the definition of these common policies.

I conclude with two specific observations. The first concerns income support. In the Social Action Programme, the Commission made proposals on this essential aspect of the wider policy of promoting social and professional mobility. It was not adopted as part of the Social Action resolution by the Council. However, again, we shall be taking up the proposals as an individual initiative of the Commission at an appropriate time later on.

The other observation concerns budgetary information and control. The Commission is fully aware of the need for a system of strict budgetary control. It should be remembered that the Member States share the financial responsibility for operations which are accepted, and thus should be equally interested in checking on the validity of expenditure. That is an indirect guarantee of efficiency. The Commission is attempting to work out pragmatically a more rapid and flexible system of control. This was not possible in 1972, because no payments were made in that year under the new Fund. The 1973 report will refer more fully to budgetary control, and the Commission will take into account Parliament's wish as expressed here for more comprehensive information in this field.

(Applause)

President. — Thank you, Dr Hillery.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

7. Recommendation regarding the application of the principle of the 40-hour week and annual paid holidays

President. — The next item is a debate on the report drawn up by Mr Laudrin, on behalf of the Committee on Social Affairs and Employment, on the proposal from the Commission of the European Communities to the Council for a recommendation addressed to the Member States regarding the application of the principle of the 40-hour week and four weeks' annual paid holidays (Doc. 47/74).

I call Miss Lulling, in replacement of Mr Laudrin, who has asked to present the report.

Miss Lulling, deputy rapporteur. — (F) Mr President, since there is no French-speaking member here belonging to Mr Laudrin's Group, the latter asked me before he left Strasbourg whether I would replace him. Bachelors should help one another, so I accepted.

(Laughter)

This, then, leaves me with the task of expounding the problems of the 40-hour week and of paid holidays; the document which deals with these is so short as to create a risk that their importance may escape us. In view of the feeble support forthcoming there is also reason to fear that this question may fail to arouse the interest it deserves, and there is good cause for regretting that this debate has not been given a more prominent place on the agenda.

Indeed, these problems involve an entire conception of the working man's life, of the social and human values which should condition modern economies, of the goals Member States should now set themselves in order to remain within the spirit and the letter of the Treaty.

We shall add a few observations on public holidays and on the 'flexible week' which are pointers to recent progress.

The task before the House is to examine Document 302/73 submitted by the Commission within the framework of Article 117 of the Treaty, with a view to its adoption.

Let me observe at the outset that this text does not apply to public office, in which the average number of working hours per week is usually below that obtaining more generally. It is also difficult to apply it in a rigid way to farm labourers, whose working hours are spread over the whole year, in obedience to the laws of nature.

The forty-hour week is a theoretical principle applied at present only in five countries of the Community. It will need extending to the four other nations by the 1st January 1975.

It would appear that on this point we shall have to record some delay in its application; there will be a time-lag also in practice, since collective agreements also accept, within certain limits and subject to a higher rate of pay, a longer working day than the statutory one.

There is no need for us to go into the detail of agreements under which working hours are reduced in trades and professions which are considered dangerous or particularly fatiguing.

¹ OJ No C 55, 13. 5. 1974.

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In several member-countries, trade union organizations are demanding that this law of the 40-hour week should be rigorously enforced, without any drop in wages. Will they be able to obtain immediate satisfaction under present economic conditions?

Such a measure would, if applied throughout the Nine Member States, certainly contribute to a desirable harmonization, to an improvement in the working man's conditions of life and to a better balance between our respective economies.

As regards paid holidays, France, Luxembourg and Denmark lead the rest of the Community in the application of the principle of a four-week holiday.

It is therefore to be desired that this measure should become general throughout the member-countries by December 1976, and should be embodied in legislative provisions rather than in the framework of collective agreements. This, at any rate, would reflect the spirit of Article 117 of the Treaty.

Within the framework of the paid holiday scheme it is understood that the number of public holidays are not included. This number, which varies a great deal according to the traditions of our countries, may be anything between 6 days and 17—in lucky places! (It is to be hoped that they are all paid for). Since, however, our endeavour is to create a framework for the Community worker, we must look further and seek constantly to improve the quality of life.

Since December 1973 the so-called 'flexible week' has been introduced in France—and I know that this measure is in force also in other countries, particularly in Germany. 412 French undertakings are already applying it. Under this system, the 40 compulsory hours are not necessarily all worked at the same time. There is certainly a wide 'band' of obligatory attendance, but with the possibility of modifying the traditional working day either in the morning or in the evening. This allows for a better adjustment to family needs, as well as helping to ease the transport problem during the rush hour. It is also a provision for humanizing the job. It is even possible, under certain circumstances, to 'transfer' some of one's working hours from one week to another, and to choose whether to take the Saturday off or the Monday.

Obviously this example is brought up for general consideration. The law cannot at the moment intervene in this field. It is, however, the task of the legislator to promote the

humanization of labour in cooperation with the social partners.

We trust that this recommendation, which we regard as a first step towards an improvement in the conditions of life and work in all Member States, will get a favourable reception, so that the 40-hour week and the 4-week holiday become the rule in all Member States of the Community.

On Mr. Laudrin's behalf, many thanks for your attention.

President. — I call M. Wieldraaijer to speak on behalf of the Socialist Group.

Mr Wieldraaijer. — (NL) Mr President, on behalf of the Socialist Group, I confirm our complete approval of measures designed to promote the achievement of the 40-hour working week and for four weeks' paid annual holiday. I wanted to recall that the Socialist Movement in Europe has grown up against a background of demonstrations for a shorter working day. The recommendation can therefore count on our support. What is at stake here is an improvement of the quality of life of many people in this Community, an improvement that can be achieved by laying down minimum regulations on working times and holiday.

The present situation in the Member States is such that there are a great many differences in this particular area. I consider that the application of the recommendation will encourage the free movement of workers and improve conditions of competition.

During consideration of this matter in the Committee on Social Affairs and Employment we wondered why a recommendation has been drawn up rather than a directive or regulation. Since the proposed improvements can be brought about in many Member States by negotiations between employers and employees we have provisionally supported the directive. If it appears, however, after a time that the aim cannot be achieved by this means we consider that a more appropriate instrument such as a regulation must be used. I should like to hear Mr Hillery's views on this. Having said that, we approve the motion for a resolution.

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

Mr Marras. — (I) Mr President, if I speak now I shall not need to introduce the amendments

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since I can present them in the context of my general argument.

Our rapporteur has already stressed the importance of the item on the agenda and it is unfortunate that we cannot go into it as thoroughly as it deserves. However this does not prevent us briefly making some general points after which I shall say a few words explaining our amendments.

In general, I should like to make a criticism of the manner in which this recommendation has been submitted by the Commission. If we approve it we will seem to be adopting this measure in order to avoid distorting the Community labour market because variations in the working week between different countries may have such an effect, thus leading to an imbalance in the conditions of competition so often referred to. On the contrary, we should categorically state that the 40-hour week and 4-weeks' paid holiday are and should be considered an end in themselves for social and humane reasons since our people should enjoy a gradual reduction of working hours and an increase in free time to devote to other activities and interests.

I should now like to explain why I have tabled three amendments on behalf of our group. In suggesting them, I felt that I was interpreting needs which had emerged during discussion in the Committee.

The first amendment involves adopting the proposed measures by means of a directive. Why did the Commission not use this instrument as it did, for example, over the question of equal pay? One might answer that equal pay is referred to in an article of the Treaty which makes it easier to use a directive. In which case, I ask the Commission why it adopted mass dismissals by means of a directive? That is another field in which trade union organizations exhibit a certain autonomy.

If we follow this recommendation we will not achieve the desired harmonization by 1980, let alone 1975.

I had the impression that some of my colleagues in the Committee on Social Affairs and Employment agreed with me on this point. I see written in my notes: 'directive, rather than recommendation, for various sectors'. I shall not therefore let this point pass and I should like to stress that the Commission should remember that a directive was issued on collective dismissals.

The second amendment makes it clear that by a 40-hour week we mean a 40-hour week, using

the practical formula adopted by Lady Elles in committee: 'a 40-hour week means a maximum of 40 hours'. Accordingly, though I cannot, as I should like to, say that overtime which takes the week over 40 hours should be abolished, it should anyway be gradually reduced and eliminated. I seem to remember that this point also had some support in committee and one of my colleagues, for example, agreed that it was necessary to have an efficient check to ensure that these 40 hours were not surpassed and wondered whether authorization by the Trade Union Council should be required for overtime. In addition, as Commissioner Hillery pointed out this morning, in the context of its efforts to reduce unemployment and dismissals the Commission is tending to gradually reduce overtime. This is the second amendment which I table on behalf of the Group.

I imagine that the third should be very much easier to accept. It requires Parliament to be regularly informed of the ways in which the goals suggested in the directive are being achieved in the various countries within the time-limits laid down in the Commission's document.

As you see, Mr President, by speaking now I shall not need to speak later to explain our three amendments.

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

Mr Normanton. — Mr President, honourable Members, on behalf of the European Conservative Group I extend a warm welcome to the Commission's proposals before us, in substance and in form. These concern a recommendation to the Council, which was the subject of discussion and deliberation by Mr Laudrin's committee. I certainly warmly welcome the substance of the recommendations because they recognize the need for greater harmonization in the practices of industry, thereby facilitating, we all hope, urgently needed progress towards the creation of industry on a Community-wide structural basis instead of, in effect, upon nine diverse national bases.

The Treaty of Rome, one need not repeat, requires the promotion of people's freedom of movement throughout the Community, and any measures which might lead to the harmonization of working conditions will undoubtedly be a valuable contribution to achieving this essential freedom.

I also welcome the form in which the Commission's proposals have been drafted since they

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recognize the realities which exist throughout the Community, namely, that each national industrial community has its particular techniques for progressing towards the general objectives broadly stated in the recommendation proposed by the Commission, and commented upon by Mr Laudrin's committee. I think it is because of the form of these proposals, and on the basis of these proposals—that we will oppose Amendments 1, 2 and 3 to which Mr Marras has just referred. These, after all, introduce into the proposals a binding statutory aspect which I feel would be less realistic and, in my judgement, less effective than the recommendations proposed by the Commission.

I certainly place particular emphasis upon the following sentence in the sixth paragraph of the Commission's proposals, and, with your permission, Mr President, I will quote it:

'The Council intends to pursue a policy aimed at encouraging close collaboration between employers and workers on these questions.'

This states very clearly and concisely the basic belief in the principle to which we adhere in the Conservative Group, of collective bargaining. Progress will not be achieved solely, however, by the process of legislation which ought to be on a national basis or on the basis of the Community-wide legislative systems. It will be achieved by collaboration—and I pointedly use and repeat the word 'collaboration'—between employers and those employed in industry. Whether we discuss the working week, holidays, conditions of work or pay, this is and should be an area in which progress depends upon the closeness of the relations between the representatives of employers and the representatives of those employed—namely, the trade unions.

There are, and I believe always will be, areas of industry—I am using the term 'industry' in its broadest sense—in which it is far less easy to institutionalize industrial relationships. In this kind of situation may I commend to Dr Hillery, the Commissioner, the consideration of the system of wages councils which have operated in the United Kingdom for some considerable time. These do not replace collaboration between trade unions and employer. They are there to fill a gap, where gaps exist, in the industrial community and life of the country. I would only stress that the Laudrin report highlights the difference between a *de jure* position and a *de facto* situation. This we can see, I suggest, from the annex to Mr Laudrin's report, in which he shows that the United Kingdom has no legislation on this particular subject of the working week, and yet every other Member State except Denmark possesses

such legislation. Yet the *de facto* position shows quite clearly in this annex that the United Kingdom operates, through collective bargaining, a working week which is used as a basis for wages computation no less favourable than that which operates in the rest of the Community.

Therefore, on this basis I recommend and support the adoption of the Laudrin report as a valuable contribution from this House. The European Conservative Group certainly wishes to thank Mr Laudrin and his committee colleagues. Perhaps one might ask that they take steps to review the actual progress of the Member States in this matter of the working week and holidays during the year 1974. We certainly hope that collective bargaining will have made considerable further progress towards the objectives outlined in the Commission proposals—objectives which we as a group strongly endorse.

President. — Thank you, Mr Normanton.

I call Mr Van der Gun to speak on behalf of the Christian-Democratic Group.

Mr Van der Gun. — (NL) Mr President, a few brief remarks. The Commission defends this directive with the argument that it can contribute to the improvement of the quality of life including more free time and paid holidays.

But in addition the Commission uses the argument of the harmonization of working conditions and the prevention of distortion on the labour market.

This is in itself a very real objective but we must have some certainty that the recommendation will in fact be implemented as is intended.

The Member States must not formally apply the 40-hour working week and grant four weeks' paid holiday while, on the other hand, simply increasing the number of working hours with the result that more overtime will be worked.

It is good that the Commission feels certain that its aims will be pursued during further implementation of the recommendation.

I willingly admit that I myself, like Mr Wieldraaijer, expressed certain doubts in the Committee on Social Affairs and Employment as to whether we should adopt the solution of a directive or recommendation. I agree entirely with Mr Wieldraaijer that having regard to the situation which prevails at present in some Member States a recommend-

Van der Gun

ation of the kind proposed by the Commission deserves préférence. I noted with some surprise the reasoning of Mr Marras who, unless I am altogether mistaken, said that preference should be given to a directive because the autonomy of the social partners would then be greater. I have the clear impression that a directive has a more binding character than a recommendation. That binding character would in my view mean that in practice the autonomy of the social partners would be less.

Unless there was an error of translation I consider that if Mr Marras would like the recommendation to be replaced by a directive, he would achieve precisely the opposite of what we want, namely greater autonomy for the social partners.

For this reason we cannot support Mr Marras's amendment nor the second amendment advocating gradual abolition of overtime. That is technically impossible in a number of sectors.

I agree with Mr Marras that if we move towards the 40-hour working week, the figure should in fact be 40 hours wherever possible and this measure should not be used to obtain better paid overtime.

In my view it is quite wrong and technically impossible to rule out overtime altogether in all forms in certain sectors of activity. For this reason we do not support Mr Marras's second amendment. We do support Mr Marras's third amendment because, unlike Mr Normanton who simply wishes to reject all three amendments, we consider this one important.

I believe that with an eye to the future this matter is so important that it is desirable for the European Parliament to be kept informed as fully as possible of actual developments. I am inclined to support the third amendment—this is not intended as a consolation prize because I do in fact agree with it.

President. — I call Mr Normanton.

Mr Normanton. — May I respond briefly to the points made by Mr Van der Gun in connection with Amendment No 3? I personally in my speech did not object to the idea of the Commission's reporting in a year's time along the lines which are contained here. But if we accept the new paragraph 6(a) we must inevitably be accepting the principles of a directive. Therefore, the logical procedural consequence of rejecting Amendments 1 and 2 should be that for the same reason we should reject Amendment No 3, but we could perhaps achieve the same result by asking the Commis-

sioner to take note of the wishes of this Parliament without incorporating them in a particular resolution, noting and thereby reaffirming our objection to the adoption of the directive.

President. — I call Mr Van der Gun.

Mr Van der Gun. — (NL) I do not wish to enter into a legalistic debate with my colleague Mr Normanton, but I cannot see how the Commission can be asked at this time to report on the application of a directive now that a recommendation has been issued.

President. — I call Mr James Hill.

Mr James Hill. — I only want to make one or two short comments, you will be pleased to hear, Mr President. I think this is much ado about nothing. As you will see from the excellent figures which the Commission give in the annex, every Member State has, through collective bargaining, already adopted a 40-hour week, and none of them through collective bargaining has yet got to the four week's holiday with pay. The only issue here is the four week's holiday with pay.

I rose to my feet because paragraph 5 mentions a genuine employment policy and a regional policy. This is at complete variance with what we are trying to do in the regional policy discussions. We are not trying to reduce people's hours or to give them four weeks' holiday pay. What we are trying to do is to bring to the depressed areas work for a sufficient number of hours to enable these people to have a quality of life which the rest of the Community enjoys. Consequently it may be impossible in certain agricultural areas which will be supported by the regional policy fund to be quite as adamant as this when their economic standard of life is just beginning to rise. They will be tied by what could be a directive to a 40-hour week and a four weeks' paid holiday.

The emphasis on regional policy should not be in paragraph 5. It goes completely against the aims of a regional policy programme. I agree with my colleague, Mr Normanton, that a directive on a four weeks' holiday with pay would tie those Member States who are already having perhaps some balance-of-payments problems, and indeed inflation could be caused almost overnight by going from two or three weeks' holiday with pay to four weeks' payment by an employer who is already hard pressed by economic realities.

President. — I call Dr Hillery.

Dr Hillery, *Vice-President of the Commission of the European Communities*. — I should like to compliment Mr Laudrin and the Committee on Social Affairs and Employment on drafting this report in such a clear and concise manner and thank him for his support of the objectives towards which we are working.

From the discussion it is clear that I do not need to explain further. Perhaps I should say that we would make a distinction between public holidays and paid holidays. Public holidays exist as a right, having their origin in the commemoration of historical events, and this instrument deals with statutory holidays to be settled between employers and employees.

May I deal with the amendments, because Parliament is quite clear on the principle? The amendment of Mr Marras suggests that Parliament would express its preference for the adoption of a directive rather than a recommendation, bearing in mind the need to safeguard the autonomy of both sides of industry. This is the nub of the question.

My first thought when seeking to produce an instrument which would improve the quality of life in this field was to have an instrument which would be imposable and would not require further action, but the very wording of the amendment—'bearing in mind the need to safeguard the autonomy of both sides of industry'—leads me to say that, on the contrary, according to Article 100, a directive can only be applied through national legislation and would not take into account the autonomy of both sides of industry. The recommendation respects their autonomy and we selected a recommendation, which seemed to be a less direct method of doing it, but we did it on the basis asked for by the amendment of protecting the autonomy of both sides of industry. The social partners have already accepted this form of instrument, and it should be in principle a recommendation.

As to the other amendments, if the first amendment were not adopted the use of the word 'directive' in the other amendments would need to be stopped and some change made. Without the description 'directive' the other amendments are quite acceptable to me.

Amendment 2 says that the 40-hour week should not mean extra pay but should reduce the number of hours worked in a week. The whole idea was to improve the quality of life.

I accept the thinking behind that. It raises for society a very great problem which already exists, and that is the problem of the use of leisure time. We can no longer reduce the working hours of people and leave them to their

own devices to fill in the gaps which have to be filled.

In an agricultural society or in parts of the Community not yet fully developed, time can be passed pleasantly if free time is available, but in an industrialized society it is not possible for a person suddenly to take up a great amount of free time and occupy it usefully. This is one of the big problems for individuals, and in the future it will be a very grave problem for society. I hope that the institute which would be proposed to the Council to set up studies of the conditions of life and of work will be able to give us guidance in this area. I repeat, I do not think there will be any greater problem facing society and individuals than the use of their time in the future, and not the very far distant future at that.

I accept that this idea of fewer working hours should imply fewer hours worked. The amendment goes a little further in spelling that out. It has the problem of having the word 'directive' in it. In terms of reporting annually, that is acceptable, again if the word 'directive' is not used. I suggest that we do not seek a directive because the recommendation makes it possible to have the two sides of industry consulted and actively engaged in this improvement in the quality of life.

President. — Do you wish to speak, Mr Marras?

I was going to call you when we consider the amendments. I think we should get on to the resolutions now and you could make your observations when moving your amendments.

On the preamble and paragraphs 1 and 2, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3, I have Amendment No 1 tabled by Mr Marras and Mrs Goutmann.

It is worded as follows:

'Expresses its preference for the adoption of this measure in the form of a directive rather than a recommendation, bearing in mind the need to safeguard the autonomy of both sides of industry in this matter.'

I call Mr Marras to move Amendment No 1.

Mr Marras. — (I) In order to speed things up, I shall deal with all three amendments simultaneously.

Marras

As regards paragraph 3 of the motion for a resolution, our Group expresses a clear preference for adopting the provisions in the form of a directive. We know that the social partners have at times, e.g. over collective dismissals, expressed preference for rigid safeguards of their own autonomy but here a directive has been issued which does not take the interests of the social partners into account.

We prefer the form of a directive because it is more binding but, at the same time, we believe that it is necessary to respect the autonomy of the social partners in this field. I do not think there is a contradiction here, Mr Van der Gun.

In the other two amendments, I declare myself ready to replace the word 'directive' by the word 'recommendation'. I accordingly feel that the difficulties and reserves felt by some members should be easily overcome.

President. — I call Miss Lulling.

Miss Lulling, deputy rapporteur. — (F) Mr President, Mr Laudrin has asked me to convey his feeling about the first amendment to para. 3. The rapporteur asks you not to accept the amendments, for a variety of reasons which have already been very well explained. I should like to insist on the fact that if we now really wish to give the forty-hour week a chance of becoming reality, the proper procedure, given the present position as regards legislation, is via the method of recommendation.

This paragraph 3 is all the more important inasmuch as it calls for action at Community level on the part of the social partners. In connection with this—and I am speaking in a personal capacity—I should like to underline the fact that some years ago already wage-earners in agriculture concluded, with management and employers, a European Agreement on the reduction of working hours in the sector. If this method could be followed in other sectors, if, that is, we could finally get down to the setting up of joint committees sector by sector, at Community level, which is what we have been after for years now, we could get the social partners to reach outline agreements at Community level with a view to the introduction of the forty hour-week. In this way we should have gone further than to issue a directive which does not get adopted by the Council.

I therefore think that if we really want to make progress, we must for the moment keep to this recommendation which, fortunately, is proposed by the Commission.

As regards the other two amendments, Mr President, the rapporteur has asked me to tell you that, as regards the amendment relating to overtime, it should be obvious that when we say forty hours, we are not saying forty-eight or fifty-six hours. It would scarcely be realistic to expect that overtime will become a thing of the past.

No employer will get his people to work overtime if he has enough work to engage an extra hand; this will come much cheaper for him, since overtime hours—at least I trust that this is the case everywhere—are paid at a higher rate than regular working hours. So no employer will have an interest, unless obliged by circumstances, in getting people engaged for a forty-hour week to work overtime. He is much more likely to engage an extra hand at lower cost.

I know what the practice has been in France for quite some time now. It is perhaps for this reason that some people think it would be a good idea to include this provision. But I thought it was quite clear that we were opposed to the principle of overtime and would like to see this reduced to a bare minimum. A phrase like this will not solve the problem.

As regards the third amendment, Mr Laudrin has no objection to a report. I would, however, recall that the Commission draws up a report every year on the welfare position in the Community. Is it really necessary—I am saying this in a personal capacity, not having made contact with Mr Laudrin—to scatter our efforts over a multiplicity of reports? The Commission would soon no longer know what to put in its annual report on the welfare position in the Community. It is no use creating a mountain of documents just to give ourselves something to argue about when the report on the welfare position comes up for examination. If we empty this report of all the interesting items, what will be left of it?

Well, Mr President, these are my personal feelings. Neither Mr Laudrin nor I want to set this up as gospel, but I think we should keep within reason in the matter of the number of reports we face Parliament with.

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

The amendment is rejected.

I put paragraph 3, as originally worded, to the vote.

Paragraph 3 as originally drafted is adopted.

President

On paragraph 4 I have no amendments or speakers listed.

Does anyone wish to speak ?

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

After paragraph 4, I have Amendment No 2, tabled by Mr Marras and Mrs Goutmann.

It is worded as follows:

'Requests that the directive should specify that application of the principle of the 40-hour week should include the gradual elimination of overtime work.'

May I remind you that the word 'directive' has to be replaced by the word 'recommendation'?

I call Mr Marras to move the amendment.

Mr Marras. — (I) I should like to draw attention to a most extraordinary, or, let me say, at the very least, paradoxical, situation. The press, if no-one else, will certainly be impressed. The Communist group tabled an amendment which we considered reasonable and Commissioner Hillery also finds acceptable, and now a member of the European Parliament's Socialist Group (i.e. the deputy for the rapporteur from the Gaullist group) expresses uncertainty and reservations which quite amaze us. It is surely paradoxical that the Communists, who one might say provide the only real opposition to the Community government, should find it accepting their amendment and other nominally leftwing elements in Parliament having second thoughts when the matter in hand is such a deep-rooted social question as the reduction of over-time.

We realise that overtime cannot be abolished overnight and we do not pretend to be able to do so.

It is widely known that employers make extra profits by resorting to this practice since they thus avoid the social security costs which they would incur if they opened up more vacancies rather than getting existing employees to work longer hours.

Please excuse this outburst, but I insist that our amendment be put to the vote.

President. — I think that the rapporteur's position should be made clear. I call Miss Lulling.

Miss Lulling, deputy rapporteur. — (F) Mr President, it is almost on a personal matter that

I am speaking now. I have made it plain that Mr Laudrin does not wish to make an issue of this insertion. I have however also tried to explain why the insertion is unnecessary.

However much I might agree, in other departments of life, with the French dictum that the superfluous is very necessary, this does not apply to resolutions or legal texts. Such texts need to be quite precise, without a word too many.

Let me repeat: the proposed formula does not improve the text. It is indeed obvious that if we want forty hours we don't want overtime.

The whole idea is to cut out overtime, but this has nothing to do with the recommendation relating to the forty-hour week.

Mr Marras tells us that in Italy overtime hours are not paid correctly. This is another question, and I would advise him to look into the problem together with the Department of Labour Inspection in his country.

In my country overtime is paid for at a higher rate. Also, the overtime hours are not always compulsory. This is stipulated in our legislation. Social insurance contributions, on the other hand, are paid.

If this not the practice in other places, no recommendation from the Commission will avail to remedy such a deplorable state of affairs, but rather, a stricter inspection and enforcement of laws or agreements at national level.

Personally I do not think that certain texts are adequate to save a situation. Concrete action is necessary, but this must avoid the superfluous.

President. — I call Mr Noè.

Mr Noè. — (I) I should like to reply to Mr Marras's assertion that employers use overtime to suit themselves. I do not know what is the extent of Mr Marras's experience in the trade union field. I have been dealing with such matters since 1941 and have practical experience in the field.

Starting from the idea that we are absolutely opposed to overtime becoming a general practice, we must consider some special examples in which it may be necessary. Think of a planning team which is working on the embankment of a river which they know will be subjected to floods in the near future so that the work must absolutely be finished before a certain date. In such a case, this team may have to work on Saturdays and Sundays, if necessary, to save the jobs of thousands of people.

Noè

In situations of extreme urgency and need, it may therefore be inappropriate to talk about completely eliminating overtime.

It is therefore altogether unrealistic to assert that employers use overtime at their own convenience.

President. — I put Amendment No 2 to the vote, changing the word 'directive' to the word 'recommendation'.

The amendment is rejected.

On paragraphs 5 and 6 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these paragraphs to the vote.

Paragraphs 5 and 6 are adopted.

After paragraph 6, I have Amendment No 3, tabled by Mr Marras and Mrs Goutmann, adding a new paragraph 6 (a), and worded as follows:

'Invites the Commission to report annually to Parliament on the dates and methods of implementation in the individual Member States of the principles contained in this directive.'

Again, the word 'directive' has to be changed to the word 'recommendation'.

Do you wish to speak, Mr Marras?

Mr Marras. — (I) No, Mr President.

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

The amendment is rejected.

On paragraph 7 I have no amendments or speakers listed.

Does anyone wish to speak?

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

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

The resolution is adopted.¹

8. Draft annual accounts of Parliament for 1973

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 1973 (1 January - 31 December 1973) (Doc. 66/74).

I call Mr Notenboom, deputizing for Mr Aigner, who has asked to present the report.

Mr Notenboom, deputy rapporteur. — (NL) Mr President, at the request of the Committee on Budgets, I wish to introduce this report on behalf of Mr Aigner. He is unable to attend our meeting today.

On the basis of this report and the motion for a resolution, the European Commission will be in official possession by 1 May of the data which it needs to fix the annual estimate with the Community by 1 June at the latest. The Committee on Budgets is now submitting an interim report so that the Parliament can take official note of the closure of its own accounts. This resolution does not yet constitute a definitive discharge to the President and Secretary-General. That can only be done when the Committee on Budgets has taken note of the accounts once they have been checked by the audit bodies referred to in the Treaty and has also seen the appropriate report by the Audit Board.

The motion for a resolution mentioned the amounts of the commitments entered into and payments made on the basis of the 1973 budget. These amounts remained below the available credits.

In the motion for a resolution Parliament also decided to cancel the credits automatically transferred from the budget year 1972 to 1973 which remained unused, amounting to 20 686.30 units of account, pursuant to Article 202 of the EEC Treaty. It was also decided that the credits available for 1973 but still unused amounting to 2 520 425.89 units of account should be cancelled.

These provisional accounts have, of course, not been drawn up without making the necessary transfers from item to item. That was inevitable particularly in the very difficult year of 1973 in which the Parliament underwent considerable enlargement so that the fixing of the budget was accompanied by a great deal of uncertainty and far more approximations were necessary than in earlier years.

Transfers from one chapter to another cannot be effected without the intervention of the Committee on Budgets. Transfers within a particular chapter can be made without consideration by the Committee on Budgets. But we must prevent any action against the intention of the budgetary

¹ OJ No C 55, 13. 5. 1974.

Notenboom

legislator. If the financial controller may have doubts on this point in certain cases it will probably be advisable in future to consider whether contact should be entered into with the Committee on Budgets. Taken literally, the only task of the financial controller is to declare that credits are available or, more accurately, that at the time concerned the budget funds are available to complete the transfer.

But the controller himself wishes—in my opinion rightly—to go further and consider whether estimated expenditure in respect of which no commitments have been entered into, despite the pruning of one item in favour of another, can still be effected.

We should also determine whether the inadequacy of the credits which has to be made good by transfers is not the consequence of a previous transfer to another item after estimated expenditure has first been cancelled.

The new financial regulation only entered into force in May 1973. We still need more experience of its application. I do not wish to go into this matter in more detail but would simply like to draw your attention to the few ideas expressed yesterday in the Committee on Budgets.

On behalf of the Committee on Budgets and at the request of Mr Aigner I am now asking the European Parliament to establish these amounts; a discharge can be given later after the Audit Board has officially completed its work.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

9. *Postponement of consideration of a report*

President. — The next item on the agenda was to have been a vote without debate on the report drawn up by Mr Della Briotta, on behalf of the Committee on Public Health and the Environment, on the amendments to the proposals from the Commission of the European Communities to the Council (Doc. 37/73) for

- I. a directive on the approximation of the laws of the Member States relating to analytical, pharmacotoxicological and clinical standards and protocol in respect of the testing of proprietary medicinal products;
- II. a directive on the approximation of the laws of the Member States relating to the publicity for proprietary medicinal products and package leaflets; and

III. a directive on the approximation of the laws of the Member States relating to matter which may be added to proprietary medicinal products for colouring purposes.

However, I have received a request from Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, perhaps before I make the very few remarks I had intended to make, I might observe that the rapporteur is absent. The chairman unfortunately, as you know, is unable to be present through no fault of his own. He is a sick man and has to stay in his own country. The Commissioner, although I understand the corporate responsibility for these subjects, is not present either.

I wonder whether it would be possible, as there are precisely half a dozen Members here, to have this report put back to the May Session.

President. — Would anyone else like to speak on the proposal of Mr Scott-Hopkins that this report be put back to the May session?

It is agreed then that the report should be put back to the May session.

There are no other items on the agenda.

10. *Dates of the next part-session*

President. — I announce that the enlarged Bureau proposes the next sitting should be held at Luxembourg from 13 to 17 May 1974.

Are there any objections?

That is agreed.

11. *Approval of minutes of today's sitting*

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 the proceedings are approved.

12. *Adjournment of the session*

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 5.45 p.m.)

¹ OJ No C 55, 13. 5. 1974.