

Annex

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1977-1978 Session

Report of Proceedings  
on 14 to 18 November 1977

Europe House, Strasbourg

Contents

<b>Sitting of Monday, 14 November 1977 . . . . .</b>	<b>1</b>
Resumption of session, p.2 — Apologies for absence, p. 2 — Appointment of Members, p. 2 — Election of the President of the Court of Auditors, p. 2 — Referral to committee, p. 2 — Documents received, p. 2 — Texts of treaties, p. 4 — Order of business, p. 4 — Urgent procedure, p. 7 — Procedure without report, p. 4 — Limitation of speaking time, p. 8 — Amendments to draft amending budget No 2, p. 8 — Action taken on the opinions of Parliament, p. 8 — Equal treatment for men and women in matters of social security, p. 9 — Illegal migration and employment, p. 16 — EEC-Yugoslavia trade relations, p. 29 — Agenda for next sitting, p. 35 — Annex, p. 36.	
<b>Sitting of Tuesday, 15 November 1977 . . . . .</b>	<b>37</b>
Minutes, p. 39 — Documents, p. 39 — Petitions, p. 39 — Urgent procedure, p. 39 — Declaration by President of the Ministers of Foreign Affairs and <i>apartheid</i> , p. 41 — Question Time, p. 63 — Terrorism, p. 67 — Equal treatment for men and women in matters of social security (vote), p. 73 — Illegal migration and employment (vote), p. 74 — Draft amending budget No. 2, p. 74 — Agenda, p. 78 — Terrorism (resumption), p. 79 — Agenda, p. 87 — Date of direct elections, p. 88 — Agenda, p. 98 — Aid to the non-associated developing countries, p. 99 — Agenda, p. 101 — Next sitting, p. 102 — Annex, p. 103.	
<b>Sitting of Wednesday, 16 November 1977 . . . . .</b>	<b>106</b>
Minutes, p. 107 — Authorization of reports — referral, p. 107 — Granting of special rights, p. 107 — Economic situation in the Community, p. 125 — Question Time, p. 128 — Date of direct elections (vote), p. 135 — Terrorism (vote), p. 135 — Granting of special rights (vote), p. 135 — Economic situation in the Community (resumption), p. 137 — Competition policy, p. 166 — Next sitting, p. 178 —	

(Continued overleaf)

## 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.

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

## Contents (continued)

### Sitting of Thursday, 17 November 1977 . . . . . 179

Minutes, p. 181 — Documents, p. 181 — Budgetary procedure, p. 181 — Goods exported for repair, p. 181 — Research policy, p. 181 — Credentials, p. 190 — Agenda, p. 190 — Research policy (resumption), p. 191 — Energy saving, p. 198 — Large urban concentrations, p. 201 — Question Time, p. 203 — Draft amending budget No 2 (vote) — Economic situation in the Community (vote), p. 215 — Competition policy (vote), p. 217, — Goods exported for repair (vote), p. 218 — Research policy (vote) p. 218 — Energy saving (vote), p. 219 — Large urban concentrations (vote), p. 219 — Financing of food aid, p. 219 — Transfer of appropriations, p. 222 — Carriage of goods by road, p. 222 — Unfreezing of appropriations, p. 225 — EEC/Malta agreement, p. 228 — Next sitting, p. 230 — Annex, p. 231.

### Sitting of Friday, 18 November 1977 . . . . . 234

Minutes, p. 235 — Budgetary procedure, p. 235 — Procedure without report, p. 235 — Committees, p. 235 — Psychiatric medicine in the Soviet Union, p. 235 — Preserved sardines from Morocco and Tunisia, p. 243 — Imports of certain agricultural products from Turkey, p. 244 — Agricultural or forestry tractors, p. 245 — Staff of the Centre for Industrial Development, p. 246 — Simplification of customs procedures, p. 247 — Financing of food aid (vote), p. 247 — Carriage of goods by road, p. 247 — Unfreezing of appropriations (vote) p. 247 — EEC/Malta agreement (vote), p. 247 — Psychiatric medicine in the Soviet Union (vote), p. 247 — Preserved sardines from Morocco and Tunisia (vote), p. 247 — Imports of certain agricultural products from Turkey (vote), p. 247 — Agricultural or forestry tractors (vote), p. 247 — Staff of the Centre for Industrial Development (vote), p. 247 — Next part-session, p. 247 — Minutes, p. 248 — Adjournment, p. 248.

*Resolutions adopted at sittings of 14 to 18 November 1977 appear in the Official Journal of the European Communities C 299 of 12. 12. 1977.*

## SITTING OF MONDAY, 14 NOVEMBER 1977

## Contents

1. Resumption of the session . . . . .	2		
2. Apologies for absence . . . . .	2		
3. Appointment of Members . . . . .	2		
4. Election of the President of the Court of Auditors . . . . .	2		
5. Referral to committee . . . . .	2		
6. Documents received . . . . .	2		
7. Texts of treaties forwarded by the Council	4		
8. Order of business:			
Lord Bruce of Donington; Mr Veronesi; Mr Klepsch; Mr Notenboom; Mr Broeksz; Mr Notenboom; Mr Fellermaier; Mr Van der Gun; Mr Fellermaier . . . . .	5		
9. Urgent procedure . . . . .	7		
10. Procedure without report . . . . .	7		
11. Limitation of speaking time . . . . .	8		
12. Time limit for tabling amendments to draft amending budget No 2 for 1977 . . .	8		
13. Action taken by the Commission on the opinions of Parliament:			
Mr Vredeling, Vice-President of the Commission; Mr Broeksz; Mr Klepsch . . .	8		
14. Directive on equal treatment for men and women in matters of social security — Report drawn up by Mrs Cassanmagnago Cerretti on behalf of the Committee on Social Affairs, Employment and Education (Doc. 355/77):			
Mr Van der Gun, chairman of the Committee on Social Affairs, Employment and Education; Mr Vandewiele, on behalf			
			of the Christian-Democratic Group; Mr Albers, on behalf of the Socialist Group; Mr Meintz, on behalf of the Liberal and Democratic Group; Mr Yeats, on behalf of the Group of European Progressive Democ- rats; Mrs Squarzialupi, on behalf of the Communist and Allies Group; Mr Vred- eling, Vice-President of the Commission . . .
			9
		15. Directive on illegal migration and employ- ment — Report drawn up by Mr Pisoni on behalf of the Committee on Social Affairs, Employment and Education (Doc. 352/77):	
		Mr Pisoni, rapporteur . . . . .	16
		Mr Albers, on behalf of the Socialist Group; Mr Vandewiele, on behalf of the Christian-Democratic Group; Mr Meintz, on behalf of the Liberal and Democratic Group; Mr Cousté, on behalf of the Group of European Progressive Democrats; Lord Reay, on behalf of the European Conserva- tive Group; Mr Masullo, on behalf of the Communist and Allies Group; Mr Lezzi; Mr Vredeling, Vice-President of the Commission; Mr Pisoni; Mr Albers; Lord Reay; Mr Vredeling . . . . .	18
		16. Oral question with debate: EEC- Yugoslavia trade relations (Doc. 370/77):	
		Mr Bettiza, author of the question . . . . .	29
		Mr Vredeling, Vice-President of the Commission; Mr Zagari, on behalf of the Socialist Group; Mr Martinelli, on behalf of the Christian-Democratic Group; Mr De Clercq, on behalf of the Liberal and Democratic Group; Mr Sandri; Mr Noè	31
		17. Agenda for next sitting . . . . .	35
		Annex . . . . .	36

## IN THE CHAIR : MR COLOMBO

*President*

*(The sitting was opened at 5.05 p.m.)*

**President.** — The sitting is open.

1. *Resumption of the session*

**President.** — I declare resumed the session of the European Parliament adjourned on 26 October 1977.

2. *Apologies for absence*

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

3. *Appointment of Members*

**President.** — The French National Assembly has appointed Mr Pierre Joxe a Member of the European Parliament to replace Mr Spénale, and the French Senate has appointed Mr Georges Spénale a Member of the European Parliament to replace Mr Giraud.

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

I congratulate Mr Joxe and Mr Spénale.

4. *Election of the President of the Court of Auditors*

**President.** — At its meeting of 9 November 1977 the Court of Auditors of the European Communities elected Mr Michael N. Murphy, President.

We note this appointment and congratulate Mr Murphy on his election.

5. *Referral to committee*

**President.** — At the request of the Committee on Agriculture, the committee responsible, I have, pursuant to Rule 38 of the Rules of Procedure, asked the Legal Affairs Committee for its opinion on three amendments to the Hughes report on the proposal from the Commission of the European Communities to the Council for a regulation laying down a licencing system to control the fishing operations of non-member countries in the maritime waters coming under the sovereignty or falling under the jurisdiction of Member States and covered by the Community system for the conservation and management of fishing resources (Doc. 150/77).

6. *Documents received*

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

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

- the proposal from the Commission of the European Communities to the Council for a regulation on levies applicable to imports of certain adult bovine animals and beef from Yugoslavia (Doc. 354/77),

which has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions ;

- the proposals from the Commission of the European Communities to the Council for :

- I. a Regulation laying down technical measures for the conservation of fishery resources
- II. a Regulation laying down certain measures of control for fishing activities by Community vessels
- III. a Regulation defining for 1978 measures for conservation and management of fishery resources by the establishment of quotas
- IV. a Directive on certain immediate measures to adjust capacity in the fisheries sector
- V. a Regulation laying down special aid measures for herring fisheries in the North Sea and the Celtic Sea (Doc. 357/77) ;

which has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Budgets, the Committee on Regional Policy, Regional Planning and Transport and the Committee on Social Affairs, Employment and Education for their opinions ;

- the draft regulation of the Council of the European Communities on the conclusion of the Additional Protocol to the Agreement establishing an association between the European Economic Community and Malta (Doc. 359/77) ;

which has been referred to the Committee on External Economic Relations as the committee responsible and to the Political Affairs Committee, the Committee on Budgets and the Committee on Agriculture for their opinions ;

- proposal from the Commission of the European Communities to the Council for a financial regulation concerning the EAGGF, Guarantee Section, for the periods 1967/1968 to 1970 (Doc. 360/77),

which has been referred to the Committee on Budgets ;

- communication from the Commission of the European Communities to the Council on the 1978 cereals, skimmed-milk powder and butteroil food aid programmes (Doc. 383/77)

which had been referred to the Committee on Development and Cooperation as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions ;



## President

- proposal from the Commission of the European Communities to the Council for a directive on the approximation of the laws of the Member States relating to hot-water meters (Doc. 384/77)

which had been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Legal Affairs Committee for its opinion;

(b) from the committees the following reports:

- report by Mr Evans, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the European Communities to the Council (Doc. 247/77) for a decision adopting a concerted research action on the growth of large urban concentrations (Doc. 351/77);
- report by Mr Pisoni, on behalf of the Committee on Social Affairs, Employment and Education, on the proposal from the Commission of the European Communities to the Council (Doc. 426/76) for a directive on the harmonization of the laws of the Member States to combat illegal migration and illegal employment (Doc. 352/77);
- report by Mr Spicer, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council (Doc. 271/77) for a regulation amending Council Regulation (EEC) No 1180/77 of 17 May 1977 on imports into the Community of certain agricultural products originating in Turkey (Doc. 353/77);
- report by Mrs Cassanmagnago Cerretti, on behalf of the Committee on Social Affairs, Employment and Education, on the proposal from the Commission of the European Communities to the Council (Doc. 522/76) for a directive concerning the progressive implementation of the principle of equality of treatment for men and women in matters of social security (Doc. 355/77);
- report by Mr Herbert, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission of the European Communities to the Council (Doc. 234/77) for a directive on the approximation of the laws of the Member States relating to the driver's seat on wheeled agricultural or forestry tractors (Doc. 356/77);
- report by Mr Pucci, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council (Doc. 306/77) for:
  - I. a regulation opening, allocating and providing for the administration of a Community tariff quota for prepared or preserved sardines falling within sub-heading 16.04 D of the Common Customs Tariff and originating in Morocco (1978)
  - II. a regulation opening, allocating and providing for the administration of a Community tariff quota for prepared or preserved sardines falling within sub-heading 16.04 D of the Common Customs Tariff and originating in Tunisia (1978)

(Doc. 358/77);

- report by Mr Holst, on behalf of the Committee on Energy and Research, on the communication from the Commission of the European Communities to the Council (Doc. 229/77) on the common policy in the field of science and technology (Doc. 361/77);
- report by Mr Brown, on behalf of the Committee on Energy and Research, on the proposals from the Commission of the European Communities to the Council (Doc. 158/77) for:
  - I. a Regulation on the granting of financial aids to demonstration projects in the field of energy saving
  - II. a Regulation on the granting of financial support for projects to exploit alternative energy sources (Doc. 362/77);
- report by Mr Fletcher-Cooke, on behalf of the Political Affairs Committee, on acts of terrorism in the Community (Doc. 327/77 and 328/77) — (Doc. 372/77);
- report by Mr Johnston, on behalf of the Political Affairs Committee, on the abuse of psychiatric medicine in the Soviet Union (Doc. 373/77);
- report by Mr Vitale, on behalf of the Committee on Agriculture, on the amended proposal from the Commission of the European Communities to the Council (Doc. 156/77) for a regulation concerning producer groups and associations thereof (Doc. 375/77);
- interim report by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, on simplification of customs procedures, customs legislation and institutional methods for dealing with customs matters (Doc. 376/77);
- report by Lord Ardwick, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission of the European Communities to the Council (Doc. 350/77) for a decision adopting the annual report on the economic situation in the Community and laying down economic policy guidelines for 1978 (Doc. 377/77);
- report by Mr Bersani, on behalf of the Committee on External Economic Relations, on the draft regulation of the Council of the European Communities (Doc. 359/77) concerning the conclusion of the additional protocol to the agreement establishing an association between the European Economic Community and Malta (Doc. 378/77);
- report by Mr Giraud, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission of the European Communities to the Council (Doc. 283/77) for a regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States (Doc. 380/77);
- report by Mr Schwörer, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission of the European Communities to the Council (Doc. 502/75) for a second directive on the coordination of laws, regulations and administra-

**President**

tive provisions relating to direct insurance other than life assurance and laying down provisions to facilitate the effective exercise of freedom to provide services (Doc. 381/77);

- report by Mr Aigner, on behalf of the Committee on Budgets, on the proposals from the Commission of the European Communities to the Council for:

I. a regulation amending Regulations (EEC) Nos 2052/69, 1703/72 and 2681/74 on the Community financing of expenditure resulting from the supply of agricultural products as food aid (Doc. 237/77)

II. a decision amending the Decision of 3 August 1972 (72/335/EEC) on the Community financing of certain expenditure arising from the implementation of the Food Aid Convention of 1971 (Doc. 288/77)

(Doc. 382/77);

**(c) the following oral questions :**

- oral question with debate by Mr Inchauspé, Mr Cointat and Mr Cousté, on behalf of the Group of European Progressive Democrats, to the Council on imports flooding the Community markets (Doc. 363/77);
- oral question with debate by Mr Inchauspé, Mr Cointat and Mr Cousté, on behalf of the Group of European Progressive Democrats, to the Commission on imports flooding the Community markets (Doc. 364/77);
- oral question with debate by Mr Müller-Hermann, Mr Vandewiele, Mr De Koning, Mr Früh and Mr Verhaegen to the Council on fisheries policy (Doc. 365/77);
- oral question with debate by the Committee on Development and Cooperation to the Council on financial and technical aid to the non-associated developing countries (Doc. 366/77);
- oral question with debate by Mr Prescott, Mr Hughes, Mr F. Hansen, Mr Lemp and Mr Hoffmann to the Council on fisheries negotiations with the Soviet Union (Doc. 367/77);
- oral question with debate by Mr Durieux, on behalf of the Liberal and Democratic Group, to the Commission on unemployment and inflation in the EEC (Doc. 368/77);
- oral question with debate by Mr Fellermaier, Mr Prescott, Mr Seefeld, Mr Giraud, Mr Albers, Mr Evans and Mr Hamilton, on behalf of the Socialist Group, to the Commission on safety at sea (Doc. 369/77);
- oral question with debate by Mr Bettiza, Mr Cifarelli, Mr Damseaux, Mr De Clercq, Mr Geurtsen, Mr Zywiets and Mr Bangemann to the Commission on economic relations between the EEC and Yugoslavia in the light of the future cooperation agreement (Doc. 370/77);
- oral question with debate by Mr Fellermaier, on behalf of the Socialist Group, to the Ministers of Foreign Affairs of the nine Member States of the European Community meeting in political cooperation

on the actions of the South African Government against opponents of 'apartheid' (Doc. 371/77);

- oral questions by Mr Cousté, Lord Bessborough, Mr De Clercq, Mrs Ewing, Mr Cointat, Mr Herbert, Lord Bruce of Donington, Mr Scott-Hopkins, Mr Seefeld, Mr Cifarelli, Mr Damseaux, Mr Osborn, Mr Hamilton, Mr Edwards, Mr Dondelinger, Mr Flämig, Mr Durieux, Mr Leonardi, Mr Howell, Sir Geoffrey de Freitas, Mr Lagorce, Mr Prescott, Mr Normanton, Mr Dalyell, Mr Pisoni, Mr Nyborg, Mr Jensen, Mr Kavanagh, Mr Guerlin, Mr Cousté, Mr Hamilton, Mrs Ewing, Mr Normanton, Lord Bessborough, Mr Price, Mr Terrenoire, Mr Hoffmann, Sir Geoffrey de Freitas, Mr Caillavet, Mr Dalyell, Mr Osborn, Mr Nyborg, Mr Edwards, Mr Fletcher-Cooke and Mrs Ewing, for Question Time on 15, 16 and 17 November 1977, pursuant to Rule 47A of the Rules of Procedure (Doc. 374/77);

- (d) from Mr Pisoni, Mr Ligios, Mr Fioret, Mr Liogier, Mr Vitale, Mr Albertini, Mr Guerlin, and Mr Pucci, a motion for a resolution, pursuant to Rule 25 of the Rules of Procedure, on taxes applicable to wine and alcoholic beverages (Doc. 379/77)

which has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Budgets and the Committee on Economic and Monetary Affairs for their opinions.

**7. Texts of treaties forwarded by the Council**

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

- additional protocol to the agreement establishing an association between the European Economic Community and Malta and final act.

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

**8. Order of business**

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

At its meeting of 3 and 4 November 1977, the enlarged Bureau prepared the draft agenda which has been distributed.

In the meantime, however, the following amendments have arisen :

- the report drawn up by Mr Normanton on the crisis in the textile industry (item 246 on the draft agenda), which had been fixed for Thursday, was not adopted in committee and has therefore been withdrawn from the agenda.

The following oral questions have also been withdrawn :

- oral question by Mr Andersen and others on imports of components for F-16 aircraft (item 208);
- oral question by Mr Prescott and others on fisheries negotiations with the Soviet Union (item 238).

**President**

Finally, there is a request from the Liberal and Democratic Group that the reports by Mr Holst (item 248), Mr Veronesi (item 249) and Mr Edwards (item 250), which are on the agenda for Thursday's sitting, should be dealt with in a joint debate.

Since there are no objections, that is agreed.

I call Lord Bruce of Donington.

**Lord Bruce of Donington.** — Mr President, in the absence of the chairman of the Committee on Budgets, I rise to ask a question on item 261 of the agenda on page 14 of the English language edition, where reference is made to a report by me on behalf of the Committee on Budgets on a request for the unfreezing of appropriations entered in Article 930, Section III 'Commission', of the General Budget for 1977. Mr President, on the face of it, this may appear to be just another of these highly technical reports that come from the Committee on Budgets and do not normally evoke the amount of attention which all of us would desire. However, this particular report presents questions of fundamental constitutional importance to this Parliament, since it raises matters which go right to the roots of Parliament's powers over its own budget. In these circumstances, Mr President, I would ask that item 261 be moved back from the Friday morning sitting, which, apart from one or two national delegations that shall remain nameless, tends to be rather sparsely attended. I am fortified in making this request by having been informed that on that Friday you yourself may possibly be enjoying the gastronomic delights of my capital, which at that time will have the supreme honour of entertaining you, and I would wish, on this matter of constitutional importance to Parliament, for you yourself to be able to be present when the very important question raised by this item is discussed. I would therefore respectfully ask that my request to have this item transferred back from Friday to an earlier date be sympathetically received. Thank you, Mr President.

**President.** — Before sampling the gastronomic delights of your capital city, Lord Bruce, I hope to be able to enjoy some of its intellectual delights.

*(Laughter)*

As far as the agenda is concerned, my reply must be that the agenda for Tuesday's sitting is already overloaded. If, however, as I hope is the case, you are asking that the entire matter be reconsidered, then I would be prepared to raise it at Thursday morning's Bureau meeting, to see if it might be possible to include the debate on your report in Thursday's agenda.

I can see that you agree to this.

**Lord Bruce of Donington.** — Yes, Mr President, I am most grateful for your suggestion and I sincerely trust that on Thursday morning the Bureau will in its wisdom decide to include it on Thursday's agenda.

**President.** — I call Mr Veronesi.

**Mr Veronesi.** — *(I)* On behalf of the Committee for Energy and Research and in the spirit of the text I request the inclusion in the agenda of the submission of Mr Brown's report on the encouragement of aids for energy saving because, during the next sitting, in December, the Council of Ministers are due to approve the package of measures on this subject. My request is further justified by the fact that the subject matter of the report has a lot in common with the other three items which already appear on the agenda.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — *(D)* Mr President, I have three comments to make. First, I should like to propose that the oral question with debate on the actions of the South African Government against opponents of 'apartheid' on Tuesday is combined with the declaration by the Ministers of Foreign Affairs. The only point at issue is that these two items on the agenda be discussed in a joint debate. That is my first point.

My second is not one I enjoy making, in view of its nature, but I would ask you to consider whether we might not postpone the report by Mrs Maria Luisa Cassanmagnago Cerretti, which is on today's agenda, to the next part-session, as the rapporteur is unable to be here today because of a sad bereavement. That is my second point.

My third is to consider whether arrangements can be made to ensure that the President of the Council of Ministers is actually present tomorrow for the debate on the date of direct elections to the European Parliament. If not, I would ask that this item on the agenda be exchanged with the preceding one, the report by Mr Fletcher-Cooke on acts of terrorism in the Community. But if his presence can be arranged, I have no objection to the present order. Those are the three points I wanted to make.

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — *(NL)* Mr President, I rise to speak on behalf of the Committee on Economic and Monetary Affairs. You have just announced that Mr Normanton's report on textiles, for which my committee is responsible, was not adopted and must therefore be removed from the agenda. That is correct.

I would remind you, however, Mr President that you were requested, in a letter sent from Mr Starke on behalf of the Committee on Economic and Monetary Affairs, to place on the agenda, instead of Mr Normanton's report on textiles, the report by Mr Schwörer, also considered and adopted by my committee, on provisions relating to direct insurance. This is a subject which we have been discussing for several months and both the Commission and the Council are urging Parliament to take a rapid decision.

## Notenboom

I therefore reiterate the request of the Committee on Economic and Monetary Affairs, which has already been submitted to you in writing, that the Normanton report should be replaced on the agenda by the report by Mr Schwörer on the coordination of provisions on insurance.

**President.** — I call Mr Broeks.

**Mr Broeks.** — *(NL)* Mr President, I do not think this request is acceptable. As Mr Notenboom said himself, his committee has spent several months considering this matter and it seems totally unfair to me to thrust upon Parliament a report which no one is familiar with. This is, I believe, an important report and requires mature examination and discussion in the political groups. It cannot be rushed through Parliament when nobody knows anything about it.

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — *(NL)* Mr President, I am willing to accept Parliament's and your decision on this. I do not accept Mr Broeks's criticism, however, since all I have done is to remind you of a letter sent to you previously by my committee. I repeat, therefore, that I shall accept Parliament's decision on the matter.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — *(D)* Mr President, I think it should be pointed out that if the President receives a letter concerning the agenda, under our Rules of Procedure, Mr Notenboom, it is not the President who decides on placing items on the agenda, but the Bureau. The Bureau is meeting at 10 a.m. on Thursday; the letter of the Committee on Economic and Monetary Affairs will be discussed and decided on then; like my colleague Mr Broeks, I would object to suddenly hearing on a Monday that a committee wants to decide on its own substitution!

**President.** — The points made by Mr Veronesi and Mr Notenboom have to do with a change in the agenda, namely, the replacement of the Normanton report by the Brown or Schwörer reports, respectively. I must point out to our two colleagues, however, that the Bureau already had great difficulty in finding room on the agenda for the Normanton report, as the agenda for Thursday's sitting was already overloaded. At any rate, on Thursday morning I shall submit the whole problem to the Bureau.

I call Mr Van der Gun.

**Mr Van der Gun.** — *(NL)* Mr President, I am able and willing to deputize for Mrs Cassanmagnago. This item can therefore be dealt with in the normal way.

**President.** — The chairman of the Committee on Social Affairs, Employment and Education will deputize for the rapporteur, Mrs Cassanmagnago Cerretti. I

think therefore that we can go ahead with the debate on this report.

With regard to the problem raised by Mr Klepsch, I should like to point out that the President-in-Office of the Council of Ministers will be here all day on Tuesday and will reply to questions on the direct elections and to the debate on terrorism, as well as taking part in the debate on political cooperation.

The only remaining problem is how to include Mr Fellermaier's question on South Africa in the general debate on political cooperation.

I call Mr Fellermaier.

**Mr Fellermaier.** — *(D)* Mr President, my Group is always very cooperative, when the rationalization of debates is at issue.

In this case we would propose that, immediately after the declaration by the Foreign Ministers, a representative of the Socialist Group introduces the oral question on the actions of the South African Government against opponents of 'apartheid' and that there is then a joint debate on the two items. We would agree to this procedure.

**President.** — After the statement from the President of the Foreign Ministers, you, Mr Fellermaier, or someone else on your behalf, will speak on this matter. The general debate will then take place.

The order of business would therefore be as follows:

*this afternoon:*

- procedure without report
- Commission statement on action taken on the opinions of Parliament
- Cassanmagnago Cerretti report on equal treatment for men and women
- Pisoni report on illegal migration
- oral question with debate to the Commission on trade relations between the EEC and Yugoslavia.

*Tuesday, 15 November 1977*

*9 a.m. and in the afternoon*

- joint debate on a statement by the President of the Foreign Ministers meeting in political cooperation and an oral question to the Foreign Ministers on apartheid
- Fletcher-Cooke report on terrorism in the Community
- oral question with debate to the Council on the date of direct elections to the Parliament
- Scelba report on special rights for Community citizens
- joint debate on an oral question to the Council and an oral question to the Commission on imports flooding the Community markets
- oral question with debate to the Council on fisheries policy
- oral question with debate to the Council on aid to non-associated developing countries.

**President***3 p.m.: Question Time*

- 3 p.m. — 4 p.m.: questions to the Council
- 4 p.m. — 4.30 p.m.: questions to the Foreign Ministers

*4.30 p.m.:*

- vote on the motions for resolutions on which the debate has closed
- possibly presentation and discussion of amending budget No 2 for 1977 and of the Bruce report relating thereto.

*Wednesday, 16 November 1977**10 a.m. and in the afternoon:*

- joint debate on the Ardwick report, an oral question to the Commission and the Santer report, all three concerning the economic situation in the Community
- Cousté report on the Sixth Report on competition policy

*3 p.m.: Question Time (questions to the Commission)**3.45 p.m.:*

- vote on the motions for resolutions on which the debate has closed.

*Thursday, 17 November 1977**10 a.m. and in the afternoon:*

- E. Muller report on goods exported for repair
- joint debate on the Holst, Veronesi and Edwards reports, all three concerning research
- Evans report on large urban concentrations
- Aigner report on the financing of food aid
- Giraud report on the carriage of goods by road

*3.00 p.m.*

- Question Time (questions to the Commission)

*3.45 p.m.*

- Possibly, vote on draft amending budget No 2 for 1977 and the motion for a resolution contained in the Bruce report
- Vote on motions for resolutions on which the debate has closed

*Friday, 18 November 1977**9.00 a.m. to 12.00 noon:*

- Procedure without report
- Possibly, continuation of the previous day's agenda
- Johnston report on psychiatric medicine in the Soviet Union
- Pucci report on preserved sardines from Morocco and Tunisia
- Bersani report on the EEC-Malta Agreement
- Spicer report on imports of certain agricultural products from Turkey
- Herbert report on agricultural tractors
- Oral question with debate to the Commission on safety at sea
- Hamilton report on enquiries into the political affiliations of Commission officials

- Possibly, Bruce report on the unfreezing of appropriations
- Würtz report on the staff of the Centre for Industrial Development
- Interim Nyborg report on the consideration of customs matters (without debate)
- *End of sitting:* vote on motions for resolutions on which the debate has closed

*9. Urgent procedure*

**President.** — I have received two motions for a resolution with request for debate by urgent procedure, pursuant to Rule 14 of the Rules of Procedure:

- a motion for a resolution from Mr Fellermaier, on behalf of the Socialist Group, on the actions of the South African Government against opponents of 'apartheid' (Doc. 385/77);
- a motion for a resolution from Mr Berkhouwer, on behalf of the Liberal and Democratic Group, Mr Fellermaier, on behalf of the Socialist Group, Mr Klepsch, on behalf of the Christian-Democratic Group, and Mr de la Malène, on behalf of the Group of European Progressive Democrats, on the fixing of the date of elections to the European Parliament by direct universal suffrage (Doc. 386/77).

I shall consult Parliament on the urgency of these motions at the beginning of tomorrow's sitting.

*10. Procedure without report*

**President.** — The following Commission proposals have been placed on the agenda for this sitting for consideration without report, pursuant to Rule 27A (5) of the Rules of Procedure:

- proposals from the Commission of the European Communities to the Council for:
  - I. a regulation opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading ex 20.06 B II c) 1 aa) of the Common Customs Tariff, originating in Tunisia (1978)
  - II. a regulation opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading ex 20.06 B II c) I aa) of the Common Customs Tariff, originating in Morocco (1978)

(Doc. 213/77)

which had been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture, the Committee on Budgets and the Committee on Development and Cooperation for their opinions;

- proposal from the Commission of the European Communities to the Council for a regulation derogating in favour of Denmark from

**President**

Regulation (EEC) No. 1445/72 concerning the nomenclature of goods for the external trade statistics of the Community and statistics of trade between Member States (NIMEXE) (Doc. 285/77)

which had been referred to the Committee on External Economic Relations;

- proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 1736/75 on the external trade statistics of the Community and statistics of trade between Member States (Doc. 292/77);

which had been referred to the Committee on External Economic Relations;

- proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for certain prepared or preserved bovine meat falling within subheading ex 16.02 of the Common Customs Tariff and originating in Malta (1978) (Doc. 305/77)

which had been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions;

- proposal from the Commission of the European Communities to the Council for a regulation on the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey (1978) (Doc. 320/77)

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

- proposal from the Commission of the European Communities to the Council for a regulation amending Council regulation (EEC) No 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories (Doc. 337/77)

which had been referred to the Committee on Development and Cooperation as the committee responsible and to the Committee on Agriculture for its opinion.

Unless any Member asks me in writing for leave to speak on these proposals or amendments to them are tabled before the opening of the sitting of Friday, 18 November 1977, I shall, at that sitting, declare them to be approved by the European Parliament, pursuant to Rule 27A (6) of the Rules of Procedure.

#### 11. *Limitation of speaking time*

**President.** — I propose to the House that for all reports on the agenda, with the exception of the joint debate on the reports by Lord Ardwick and Mr Santer and the oral question by Mr Durieux on the economic

situation in the Community, speaking time be limited as follows:

15 minutes for the rapporteur and for one speaker on behalf of each group;

10 minutes for other speakers.

At its meeting of 3 and 4 November 1977, the enlarged Bureau decided, pursuant to Rule 28 of the Rules of Procedure, to allocate speaking time in the joint debate on the reports by Lord Ardwick and Mr Santer and the oral question by Mr Durieux on the economic situation in the Community as follows:

Rapporteurs :	30 minutes
Commission :	45 minutes
Socialist Group :	60 minutes
Christian-Democratic Group :	50 minutes
Liberal and Democratic Group :	25 minutes
Group of European Progressive Democrats :	20 minutes
European Conservative Group :	20 minutes
Communist and Allies Group :	20 minutes
Non-attached Members :	10 minutes

Since there are no objections, this is agreed.

#### 12. *Time limit for tabling amendments to draft amending budget No. 2 for 1977*

**President.** — The time limit for tabling draft amendments and proposed modifications to draft amending budget No. 2 of the European Communities for 1977 has been set at 3 p.m. on Wednesday, 16 November 1977.

#### 13. *Action taken by the Commission on the opinions of Parliament*

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

At its sitting of 10 October last, as you will recall, Parliament, anxious to obtain the fullest possible information on the action taken on its opinions and proposals, asked the Commission to submit a written report. The Commission agreed and has forwarded to me the text of this report.

Mr Vredeling, do you wish to read the Commission's statement?

**Mr Vredeling, Vice-President of the Commission.** — (NL) Mr President, I must apologize for Mr Burke who usually assumes responsibility for this question. I believe that, by agreement with you, he forwarded the document to you and that it can now be attached to the minutes. There does not therefore seem much point in my reading it out. Members may consult it afterwards in their own languages. I would therefore request you to regard the annex to the minutes as the Commission's statement on action taken on amendments adopted by Parliament at its last part-session.

**President.** — I call Mr Broeks.

**Mr Broeks.**— (NL) Mr President, I am very glad that the Commission wishes to settle this matter in this way but it would be better if the statement appeared in the rainbow and not in the minutes, as long as it can be translated. If it appears in the minutes we may have to wait a long time for a translation. If it were published in the rainbow, however, translated into the various languages, that would be extremely satisfactory as we should then see the text the next day. That would be by far the best solution.

**President.** — I call Mr Klepsch.

**Mr Klepsch** — (D) I agree with Mr Broeks, Mr President. I think that would be the ideal arrangement for the new procedure.

**President.** — We shall make every effort to implement Mr Broeks's suggestion.\*

14. *Directive on equal treatment for men and women in matters of social security*

**President.** — The next item is the report (Doc. 355/77) drawn up by Mrs Cassanmagnago Cerretti, on behalf of the Committee on Social Affairs, Employment and Education, on the proposal from the Commission of the European Communities to the Council for a directive concerning the progressive implementation of the principle of equality of treatment for men and women in matters of social security.

I call Mr Van der Gun.

**Mr Van der Gun, Chairman of the Committee on Social Affairs, Employment and Education.** — (NL) Mr President, I have just said that I am ready and willing to take over from Mrs Cassanmagnago, but that does not mean that I have had much time to prepare this brief introduction. I shall therefore confine myself to a few fairly general remarks.

First of all, the Committee on Social Affairs, Employment and Education noted with satisfaction what the European Commission has achieved for the equality of treatment of men and women in employment.

We began by discussing the concept of equality of treatment, then the Directive on access to employment, vocational training, promotion and working conditions. This is now followed by the progressive implementation of equality of treatment of men and women in the field of social security. My Committee noted with satisfaction that the proposal gives the Community a leading position, and for this we are particularly grateful to the Commission.

Next, a comment on the Directive itself. My Committee noticed that the Commission is here using a more limited interpretation of the concept of social security than that, for instance, in the Directive on

social security for migrant workers. In addition, my Committee appreciates the need for a gradual approach, not just in view of the problem but also on account of the general economic situation today and the still enormous disparities between the social security provisions of the Member States. We are therefore happy with the Commission's work, and we agree to the principle of progressive implementation advanced by the Commission, but we continue to take the view that this should not jeopardize the longer-term objective of harmonizing social security.

We have noticed that a number of fairly fundamental elements, also connected with the principle of progressive implementation, have not been included in this Directive. This is the case, for instance, with determination of the pensionable age of men and women, which has been left to the discretion of Member States for an unspecified period. We wonder whether such a limitation, and the phrase 'unspecified period' are really appropriate in this context. We do of course realize that fairly drastic social and economic consequences may be involved and that a reasonably phased introduction is needed, but we doubt if the Commission was wise to leave these things out.

Furthermore, we notice the absence of improvement in women's pensions. In particular, there is no consideration of the period during which women are not required to work as a result of pregnancy or maternity. We think the Commission could have settled this point, a view shared and accepted by the Economic and Social Committee. The principle of progressive implementation need not be affected. We should particularly appreciate it if the Commission would therefore take our comments into account when preparing and drafting directives.

We also wondered whether the stages built into this principle of progressive implementation, of two, three and five years respectively, could be reduced. Finally, we hope that the Commission will not object to a couple of minor amendments to the proposed directive. Article 7 (3) states that the Member States should submit reports to the Council on the development of social security. We should also like these to be sent to the European Parliament where necessary.

In our view Article 7 should provide the opportunity to appeal or some other procedure for those people feel themselves wronged and who wish to pursue their claims by one or the other means. The fact that this opportunity is not provided for in the Directive is a serious deficiency in our view. That is why we are proposing Article 7 (a) for adoption, thus making it possible for these claims, which are recognized by the Commission, to be pursued.

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

\* Cf. Annex

**Mr Vandewiele.** — (*N*) Mr President, the Christian-Democratic Group has given this interesting report by Mrs Cassanmagnago its close attention, and like Mr Van der Gun, who is now standing in as rapporteur, I should like to pay particular tribute to the common sense and persistence which she has shown during the long debate on this proposed directive in the Committee for Social Affairs, Employment and Education.

The aim of this directive is progressive implementation of the concept of equal treatment of men and women in the field of social security. Incidentally, it is also concerned with the equal treatment of men with regard to women, and not just with placing women on an equal footing with men, for cases do sometimes arise in legislation in which there is discrimination against men in favour of women.

It was clear from discussion in the Committee for Social Affairs, Employment and Education that some very complicated issues are involved. Our aim of harmonization will run into a good deal of resistance and a good many difficulties in the Member States.

On behalf of the Christian-Democratic group, I should like briefly to draw attention to three important points in the report which are also clearly expressed in the resolution.

First, those who have no connection with employment are at present outside the scope of the directive — this applies mainly to housewives. In future it may well also apply to family men who perform domestic tasks instead of women. Though this may seem absurd, we are seeing increasing evidence of women taking a job outside the home and men performing domestic roles. The time has come for such people, bearing in mind their important role, to be granted an independent right to social security provisions, as the rapporteur asserts — and here we would support Mrs Cassanmagnago. If necessary the Commission should take the initiative on this. Perhaps it will be said that the Directive does not cater for this aspect; in any event, I should be grateful if the Commission at least felt able to express interest in this relevant comment during the debate.

Secondly — I refer in this connection to paragraphs 6 and 7 of the motion for a resolution — the Committee deplores the fact that widowhood and family charges or benefits have been excluded from the scope of the proposed directive. It considers that there is an urgent need for the question of widowhood, i.e. the transfer of pension rights, to be reamined and more clearly worded. As we are talking of equal treatment, it means that allowances for the surviving partner, no longer just for widows but also for widowers, must be considered.

Third, we do not consider the Directive to be complete. Some important sectors may still be excluded by the Member States concerned, and while we realize that the Commission is being cautious

because it knows that there is likely to be some resistance, we should like to take the opportunity in this debate to put forward our point of view. Future supplementary provisions should in each case be based on the following principles, and here we quote the text of the motion for a resolution in paragraph 9, as Mrs Cassanmagnago has phrased it:

(a) the determination of pensionable age should be the same for men and women and apart from this, in recognition of the family duties generally incumbent upon them, there should be the possibility of earlier retirement for women at their own request,

(b) periods spent outside work for reasons of pregnancy or child-brith or for caring for young children should be considered as reckonable periods for pension purposes.

Finally, we wish to point out that there is a serious gap in the proposed Directive. Mr van der Gun has rightly just drawn attention to the fact that the opportunity must be provided in particular for those who consider themselves wronged by failure to apply to them the principle of equal treatment, to pursue their claims by judicial process. We therefore support the proposed amendment (see Article 7 (a)), which is strongly worded. I hope that Parliament will follow the rapporteur in this and support the Committee on Social Affairs, Employment and Education. The new Article 7 (a) reads as follows:

Member States shall introduce into their respective national legislations the necessary regulations so that all persons who consider themselves wronged by the failure to apply to them the principle of equal treatment as laid down in the present directive may pursue their claims by judicial process, after possible recourse to other competent authorities.

The Christian-Democratic Group welcomes this new step in the implementation of the social programme. We wish the Commission success with it. We shall give the proposed resolution our unanimous support.

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

**Mr Albers.** — (*NL*) — Mr President, it is the work of fate that neither the Rapporteur, Mrs Cassanmagnago nor our original spokesman, Mrs Dunwoody, is able to be here to discuss this Directive. When we were dealing with it in the Group the comment was made that it would be a good idea to have reactions from the male side on the equal rights of men and women. As it happens, this evening it is only men who are available to speak on the directive. After implementation of the two Directives which Mr Van der Gun has already mentioned, i.e. equal pay for men and women and the equal treatment of men and women in respect of access to employment, vocational training, promotion and conditions of employment one might ask, whether there is any need for a directive such as the present one, since it should be reasonable to assume that the two other Directives would ensure that rights in respect of social security were also



## Albers

covered. But having put the question and studied social security legislation, you discover that it still includes various provisions which place women at a disadvantage. It should be noted that this proposed directive is based on progressive implementation of the principle of equality of treatment of men and women in the field of social security, which not unnaturally raises the comment: why progressive implementation? For Article 119 in the Treaty laid down in 1957 that equal treatment was one of the aims of the Treaty of Rome. Like Mr Vandewiele, however, my Group understands that the Commission is treading cautiously, as we realise that legislation in the Member States varies widely on the question of social security.

I should also say that in our Group we have great respect for Mrs Cassanmagnago's report because it represents a particularly important achievement: having defended it in a number of meetings of the Committee on Social Affairs she was eventually rewarded with the experience of seeing it adopted unanimously by the Committee. As she rightly says in paragraph 3 of the resolution, the European Community has taken a lead on the principle of equal treatment, the personal fulfilment of each human being and the construction of a more equitable society. These are socialist ideals, which is why we in the Socialist Group entirely support the views expressed in paragraph 3.

It has to be said that it is not merely in obsolete or less recent social security legislation that we may speak of discrimination. In the legislation produced after the Second World War appeals were often made for solidarity with women, but the nation does not support working women when it is a question of allowances. More often than not, women's domestic role is emphasized and it is assumed that pay and insurance should be related to the average family of husband, wife and two children, with the husband always being considered the wage-earner. There is a need — and I sincerely agree with the remarks by Mr Vandewiele on behalf of the Christian-Democratic Group — for structural change, and in particular women's role as housewives must be examined. Consideration must also be given to whether the housewife is not entitled to sickness and invalidity insurance. For how does the legislation on this point look at present? If, for instance, we take a look at insurance for old age pensions, married women, who cannot normally be considered as wage-earners for their families, are not entitled to a pension. You then come up against such phrases as 'men are normally several years older than their wives', i.e. wives have no need for the same rights as their husbands. But the premium required for this kind of insurance is generally calculated on the basis of joint income. We also see cases in legislation in which domestic staff in private service have been and still are excluded from various employees' benefits, and they too are mainly women. In various social security regulations concerning the minimum daily wage, we again find

the principle of the breadwinner being banded about, on the argument that most women only have a part-time job, so that their earnings must be regarded as a supplement to the family income. We also find in legislation on child allowances that the family allowance is generally provided via the wage-earner's pay, which once again in most cases means the husband.

This brief review shows that in various social security systems women's position is not equal to that of men. There is an urgent need to put an end to such discrimination, but it is of course also clear that attempts to change this approach will have major financial implications. Unfortunately certain branches of industry in the European Community are in serious difficulties. These are often industries in which large numbers of women are employed; we have seen what difficulties a new Member State such as Ireland has had in introducing equal pay for men and women: whilst their rights are acknowledged, this creates difficulties for certain sectors. And this will be the case wherever these social security rights are introduced. Premiums, employers' contributions and State contributions will have to be increased. However, these things should not be postponed indefinitely just because we have got into difficult economic waters. We shall continue to need to make progress towards equality and equal rights. We shall need to consider whether in certain cases where industry risks running into difficulty, the Social Fund should not provide assistance by means of support measures.

I should also like to point out that although some harmonization of legislation has taken place on the basis of Community directives, this is still in arrears in a good many cases and the time-lag is often very great. Recent studies suggest that even in countries where equal pay is legally established large numbers of women are still earning a clearly lower rate than men for the same job. It is also a striking fact that large groups of women are doing the kind of work which is poorly paid. It is therefore extremely important that if we wish to monitor the effect of our work in the European Community, there must be regular reviews of the implementation of measures provided for in the directives, and this applies of course in particular to a directive such as the present one which speaks of temporary measures with a very long-term effect. I would therefore strongly urge the Commission on behalf of my Group to continue to insist on such reports, to follow them up, and to ensure that the deadlines are observed. To give an example, I have been told in an answer to a written question that the two-year deadline for equal pay runs out in February 1978 and that a list of detailed questions on the development of equal pay is now in preparation. In my view the Commission is too late with this. This list should not be in preparation now but should already have been submitted to the Member States; they must be obliged to give the necessary information as quickly as possible so that the effect of the Directive so far may be ascertained. Deadlines must be observed.

## Albers

Another matter which preoccupied us in our Group was the acquisition of pension rights. All the evidence suggests that in spite of existing legislation there has not always been progress because women do not have a satisfactory opportunity to pursue their claims. We are also strongly in favour of the recommended changes to Article 7 of the directive. We should also like to add, without putting forward a proposal on the matter, that recourse to an appeals tribunal should in principle be free of charge, so that women who wish to pursue their claims are not financially handicapped. We should like to ask the Commission to put forward new proposals for those areas which are still outside the scope of this directive, in which the office set up to study the problems of female employment could perhaps be involved.

Let us ensure that the leading role, the pioneering function of the European Community to which the Rapporteur referred in the resolution, is duly confirmed; I should like to recall the words of Commissioner Vredeling's predecessor, Mr Hillery, who stated in February 1975 in connection with Women's Year: 'We must ensure that women who go out to work really do receive fair treatment'. That was true enough, since from 1957 on we have been committed to that objective. And I should like to add: not just when they go out to work and are acknowledged as working women. Let the Commission also give careful consideration to the position of women who work as housewives, for they too should be able to pursue their claims.

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

**Mr Meintz.** — (F) Mr President, in view of what has just been said both by the rapporteur and the previous speakers, I think that. I too can be very brief, particularly as we believe that this very useful proposal for a directive which Parliament is considering today is to be welcomed.

The Liberal and Democratic Group agrees with the basic ideas of this directive and therefore supports them. Our objective has always been to ensure complete equality between men and women in all fields — economic, social and legal. However, we have noticed that there are gaps in this proposed directive, which have, moreover, been clearly pointed out in the report by Mrs Cassanmagnago Cerreti, whom I should like to thank, on behalf of my group, for her excellent work.

We see the proposals in this report as genuine improvements, particularly as regards the possibility of legal action where the principle of equal pay is not complied with. But we also share the rapporteur's fear that the abolition of serious forms of discrimination may be hampered by the fact that the Member States are able to exclude from the field of application of this directive certain very important questions such as the retirement age and problems connected with motherhood. We therefore urgently request the

Commission to propose specific new directives in these areas based on the principles laid down in the report. Furthermore, Mr President, my group deplors the fact that it has been unable to obtain information which would enable it to make a realistic assessment of the difficulties involved in implementing this directive. Finally, although the principle of equality of men and women in the field of social security undeniably constitutes an important step towards a more egalitarian, and therefore fairer, society, it is nevertheless true that the effectiveness of this directive is closely linked with that of the directives on equal pay and on equal treatment as regards access to employment, education and vocational training and all matters relating to working conditions, since social benefits are often proportional to contributions, which, of course, depend on income.

There is another point which Mr Albers has just dealt with in greater detail and which I therefore do not need to repeat. I should, however, like to remind you of a report drawn up in 1970 which showed that, deliberately or otherwise, certain categories of jobs were reserved for women, and emphasized these were usually badly-paid jobs requiring no qualifications. To illustrate this point, one has only to look at the administration of the various institutions of the European Communities where, the further up the hierarchy one goes, the lower the proportion of women one finds. Thus, care must be taken to ensure that the directive on equal treatment, which is due to enter into force in 1978, is applied and to ensure that the one on equal pay is complied with if the proposed directive under consideration today is to be fully effective. With these reservations, my group will vote for the motion for a resolution.

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

**Mr Yeats.** — Mr President, I also will be brief, because this directive and the report obviously meet with general approval. I agree with much that has already been said. This must have been a difficult directive to frame; clearly there are very many different forms of discrimination in the nine Member States; there are clearly complex technical problems to be solved in implementing this draft directive, and obviously — at least in certain States — a considerable cost will be involved. Unfortunately, I suppose one has to say that a directive of this kind, which does raise many different and complex problems in different States, is precisely the type of directive that frequently leads to inordinate delays in the Council before action is taken. I can only express the hope that, on this occasion, the Council will not use these problems as an excuse for postponing indefinitely. It is a directive which clearly should be implemented as soon as is reasonably possible.

Now in Ireland, we have considerable problems in this field. Up till now there have been a number of forms of discrimination. They take four main forms.

## Yeats

There is discrimination against women in the payment of unemployment assistance, with women being paid a much lower rate, and also not being entitled to assistance in all cases where men are so entitled. There is the question of the present discrimination against married women with regard to their receiving a reduced rate of benefit. There is discrimination against married women who are restricted to a maximum of 156 days benefit, whereas the general restriction for men is of 380 days. And then, there is a fourth form of discrimination where it is easier for a man to qualify for increases of benefit in respect of dependents than it is for a woman. All these forms of discrimination exist at the moment in Ireland. It was a matter of discussion at our recent general election and, in fact, our present Government, in its election manifesto, pledged itself to remove all these forms of discrimination, irrespective of the existence of this draft directive.

But there is a difficulty with regard to the periods being allowed by the Commission for introducing these reforms. Now, I am completely in favour of those who say — and it has been said in this report and by speakers in this debate — that one must stick to certain deadlines. The report suggests that two years is quite enough, and perhaps even too much. I am inclined to doubt this myself. I think that some of the forms of discrimination, because of the complexity of the problems in dealing with them, and the cost involved, may not be able to be removed inside two years, particularly the fourth form of discrimination that exists in my country — in Ireland; with regard to the question of dependents, I think it will be impossible to deal with this in two years. Mr Albers said — and I agree with every word he said in this respect — that it is essential that we should stick to the time limits laid down. For that reason, we must think in terms of time limits that can actually be observed. There is no benefit in saying, for instance, two years, and then finding that certain countries — and Mr Albers referred to what has happened in Ireland over the question of equal pay — that certain countries find themselves unable to carry out these directives. We must think in terms of time limits which can reasonably be kept, so that the Commission can then insist that implementation is achieved in this period and there is no possibility of any derogations being allowed. I regret it, but I doubt on the whole whether in all cases two years will be sufficient. At any rate, the Commission must obviously keep a close eye on events.

I am inclined to share Mr Albers' doubts with regard to equal pay. One wonders whether the Commission have shown a sufficient interest in finding out precisely what is happening in the various countries. It is quite clear — and I go along with Mr Albers on this — that in Ireland equal pay does not exist at the moment in the way it was envisaged in the directive. I

think the Commission must keep a sharp eye on the implementation of this directive, and insist that it is carried out within reasonable time limits. Having said this much, I must express — as others have — general approval for this directive and for this excellent report.

**President.** — I call Mrs Squarcialupi to speak on behalf of the Communist and Allies Group.

**Mrs Squarcialupi.** — (*I*) Mr President, I am adding a woman's voice to the chorus of male voices we have been listening to on this directive, which is trying to ensure that there is equality of treatment for men and women in matters of social security. I want to pledge the full support of my group for this directive and to show that we really are on the women's side and don't just talk about it, we have submitted an amendment to Article 12 of the motion for a resolution. The amendment concerns a point which, as has become clear during the present debate, has given rise to various misgivings.

I wonder how long it will take for this directive to come into force. In January 1974, the Council's Social Action Programme made provision for the directive to be produced; four years have already gone by, from January 1974 to 1977, and to this must be added the time required for notification of the directive and a further four years provided for the progressive implementation of legislative provisions by regulation and administrative action. This makes a total of 9 years. Even if there are no further delays, it will have taken almost a decade from the conception of the directive to its implementation. In my view, a period of ten years is too long a time for the solution of such a burning question as equality of treatment for men and women.

A reference was made just now to the report of the French sociologist, Sullerot, which is dated 1970 and was drawn up on behalf of the Community. A re-reading makes it only too clear that the position of women in the field of employment has become much worse, despite the fact that a number of Member States have taken action to reduce the existing disparity between women and men. Meanwhile, however, starting with the year in which the report was made, the feminist movements have intensified their activities enormously.

Nevertheless, despite the good intentions shown by the Commission and endorsed by Parliament in Mrs Cassanmagnago's report there is a certain lack of will; there is no firm or resolute determination to put the directive into effect as soon as possible, as it must be in the light of the manifest injustices towards women which, in varying degrees, occur in every European country, ever in the matter of social security.

**Squarcialupi**

In my view, to include a reference in Article 12 to the considerable costs of this action may be realistic but it is politically invidious because all directives cost a great deal to apply. I think such a reference is uncalled for in relation to women and the problems they have to face in the field of employment.

With this amendment, we ought to demonstrate that the political class is genuinely prepared to take a cultural step forward. I have heard many expressions of agreement but in a lot of cases agreement sounded too feeble. No-one denies that there are financial difficulties but there are grave injustices as well. So we must speed things up and make sure that women have faith in the institutions and in the Community which, in a few months we hope, will be preparing to solicit the votes of all its subjects, including women who, in Europe, constitute the majority.

*(Applause)*

**President.** — I call Mr Vredeling.

**Mr Vredeling, vice-president of the Commission.** — *(NL)* Mr President, I should also like to begin by thanking the rapporteur, Mrs Cassamagnago, on behalf of the Commission for the outstanding report she has submitted on behalf of the Committee on Social Affairs, Employment and Education on the Commission's proposal on 'equality of treatment for men and women in matters of social security'.

Various speakers have pointed out this afternoon that our proposal in this field should be seen as a continuation of the action we have already taken at Community level to promote equality of treatment of men and women, whose uniqueness is pointed out in Mrs Cassamagnago's report. The Commission is aware of no other inter-state cooperation than that of our Community in the field of equal pay and treatment for men and women. Pursuant to Article 119 of the EEC/Treaty and having regard to the judgments of the Court of Justice of the Communities, which I should also like to mention here, we are currently preparing measures in this field. An example is the directive of February 1975 on equal pay, which provides for the approximation of the laws of the Member States relating to equal pay for men and women.

I should like to mention in passing, in connection with the criticism of the Commission's alleged slackness in making sure that this directive is complied with, that this is partly due to the contents of the directive itself, which gives Member States two years in which to make the necessary adjustments. We can only act when those two years have passed. During that time the Member States do not take it too seriously. If there with, one is, in which the Member States should make sure that the directive is applied, that is the national parliament, if I may take the liberty of saying that to you here today. The Commis-

sion, however, will not fail, when the deadline is reached in February of next year, to draw up a report on the ways in which this directive has been applied in the Member States. Mention has also been made of the directive of February 1976 on equality of treatment in respect of access to employment and vocational training, chances of promotion and working conditions which has already entered into force. The next thing on the agenda, not as a final conclusion, since there is still a lot to be done, is the directive on equality of treatment for men and women in matters of social security.

The directive on social security matters is certainly very important since there has always been a great deal of discrimination between men and women in this area. We should distinguish between three types of system, which are all covered by the notion of social security.

Firstly, we have social security arrangements in the classical sense of the term. They include systems which are laid down by law. Benefits due under these systems are paid without a means test and on the basis of an insurance system. Arrangements of this kind are referred to in the draft directive as mandatory social security schemes.

The second type of social security is social assistance, i.e. payment by government bodies on the basis of proof of need without the conditions of an insurance being met.

A third type of social security concerns special arrangements for certain occupations, that is to say arrangements which are usually made by agreement between employers and employees and for which there are various forms of legal recognition but whose texts do not usually have a direct legal basis. Discrimination between men and women occurs mainly in the last two cases, although it also exists in the legal systems, especially in countries which pay so-called flat-rate benefits. They are the United Kingdom, Ireland and the Netherlands. An honorable exception is Denmark, where there is no discrimination at that level. In these systems, the insurance principle is of less importance. The main aim of the system is to provide a minimum benefit to various categories of people in line with their presumed needs. In such cases we often find that women, and particularly married women, are assumed to have financial needs which are different from those of men. I stress that they are 'assumed' to have different financial needs from men. There is therefore discrimination in the system of social legislation in the countries I have mentioned. In countries where social security benefits are related to income and based on a stricter application of the insurance principle, the lower benefits which women enjoy there can also be largely attributed to the lower income groups to which women often belong and to their shorter working life compared with men.

## Vredeling

There are also examples of discrimination in the arrangements laid down by law, for example, unemployment benefits. Mr Yeats has already cited his own country as an example. Married women in Ireland receive lower benefits for a shorter period and that is also true in the United Kingdom. But we understand that these forms of discrimination will come to an end in England in 1978. Secondly, there is the situation whereby married women whose husbands have well-paid jobs are not covered by the system. This is the case in Luxembourg, for example.

But a draft law is under way there to remedy this situation. In Great Britain, most married women are also not covered by the system of unemployment benefits if they do not pay a contribution, no longer pay one or have never paid one. This option will soon be abolished in England so this form of discrimination will disappear. Finally, married women in Ireland and the United Kingdom receive lower sickness benefits than men. This situation, together with the chance for women to opt out of the system, will shortly be remedied in the United Kingdom. When this happens, this form of discrimination will also be a thing of the past.

In the principal areas where discrimination exists in benefits for dependents, we often see that the discrimination is in favour of the head of household since, in cases where this is taken as a criterion, the latter receives a higher benefit in certain circumstances. For example in Belgium: 60 % of earnings instead of 40 % for a long period of unemployment. Another example is the granting of an extra allowance for dependent children or spouses. A married man is normally assumed to be the head of household and a married woman is only accorded this status in exceptional circumstances and on production of specific evidence.

Discrimination in the field of certain insurances such as the old age pension also exist in countries like the Netherlands and Denmark. A particular area of discrimination is that of occupational pension funds. There are many forms of discrimination here. Women often find it difficult to gain access to such systems, in any case it is more difficult for them than for men, and when they do join such a scheme, women very often receive lower benefits, although they pay the same contributions.

Now for the motion for a resolution. In a number of introductory paragraphs, the Commission has been given a certain amount of praise. It is always pleasant when Parliament does this. In other paragraphs, however, a number of objections have been raised, particularly in paragraph 6, which deplores the fact that in our proposal widows and family charges are excluded, although they are included in other social legislation.

The reason for this, as I should like to stress, is that there is often discrimination in favour of women. This applies particularly to motherhood and family charges. There are often arrangements which apply to women

but naturally not to men — maternity benefits etc. However, discrimination here is unavoidable. In such cases, there can be no question of complete equality of benefits. As is rightly stated in the resolution, there is, of course, plenty of room for improvement here. But this is not really a matter for this directive on equal treatment as regards social legislation but is rather a matter for the extension of the social security system or of social opportunities. Thus, in various countries rules are being drawn up at the moment to enable a woman, for example when she has young children, particularly following a birth to conserve the right to be reinstated in her post — in some countries for a year, in others for two years — and also to keep her pension rights during this period. The Commission notes with satisfaction that such provisions are being laid down in some Member States and will certainly encourage this development, as also in the field which I shall mention next, by laying down additional provisions at Community level. I should like to say in passing that a shining example here is Sweden.

There is also a certain form of positive discrimination in the case of widows. There are insurances for widows but not for widowers. On the other hand, when a woman dies the premium is usually lost since although she has paid the premium her husband receives no benefit after her death. So there is still discrimination here. The Commission felt that the time was not yet ripe to introduce specific arrangements at this time in this field. The Member States are not yet ready for this but we can see that discussions on this matter are on the increase. That gives us particular pleasure since these forms of discrimination need to be abolished. We will continue to encourage this and bring the time nearer when this question can be handled at Community level.

Some criticism has been voiced of the fact that we excluded the determination of pensionable age from equal treatment, if I may put it thus, and left this matter up to the Member States. Here too we are up against a specific problem. On the one hand, equality here would mean that the pensionable age of men would have to be brought down somewhat if it is to be brought in line with that of women. On the other hand, an adjustment would very often lead to an increase in the pensionable age of women. There is an increasing amount of experimentation in this field, particularly during this period of unemployment. These experiments are aimed at taking people out of the employment market via early retirement, preferably on a voluntary basis.

Developments are in hand in this regard; that is why we preferred not to adopt absolute equality of treatment of men and women on this matter in the Directive. But it may well prove to be desirable at a later stage. The unspecified period to which Mr van der Gun in particular drew attention does not mean that we have to wait until doomsday. It is just very difficult to establish a deadline now for settling this question.

### Vredeling

I repeat, it will not be put off for ever. We are keeping an eye on developments in the Member States and we will intervene as soon as a clear pattern emerges.

Development of pension rights is dealt with in paragraph 8 of the resolution, particularly concerning the period of pregnancy or maternity. The preservation of pensions at the same time is of course desirable, but it is difficult to settle the matter in this Directive, because once again equality of treatment between men and women cannot be taken into account. As regards the care of children there may well be a problem. In this connection, I should again like to draw attention to the Swedish system. There is however, discussion in various Member States on the idea of either father or mother, according to their choice, being responsible for the care of small children at a given time. A tendency in this direction may certainly be observed, although it is still perhaps not widespread enough to justify introducing directives at Community level. Nonetheless we do want to give positive support to this development because both men and women are definitely being discriminated against in this area. And here perhaps I may endorse the comments made by both Mr Vandewiele and Mr Albers. They state that this Directive applies only to people who have some connection with paid employment. They want to know why such a connection is insisted upon. There are housewives who are not in paid employment, thus falling outside the scope of this Directive. As far as this goes they are absolutely right. The position of the housewife in our modern society is another area where change is taking place. At present housewives, or married women, are not paid for their work. We haven't reached that point yet; nor do I know whether we ever shall. Indeed, I might add that it is strange that this doesn't happen already. But the Commission is certainly of great importances for developments in that direction. Here too developments sometimes take place very rapidly.

Turning now to the deadlines on which Mr van der Gun expressed some criticism, which Mr Yeats also received, I must say that the Commission wanted to set deadlines which were as realistic as possible. However, the deadlines for implementation of these Directives should definitely not be broken. In this regard I can reassure Mr Yeats. At the time, neither these people nor anyone else in Parliament criticized the deadlines for being too long. In view of the complicated nature of this issue and difficulties over bringing the legislation in Member States into line with this Directive, we have taken a fairly broad view of these deadlines.

Mr President, in conclusion I now turn to the proposed amendments, with which the Commission is in absolute agreement. First of all there is the proposed amendment to Article 7 (3); where mention is made of a report being sent to the Council. Parlia-

ment would like it to be forwarded to the European Parliament at the same time. As far as the Commission is concerned this speaks for itself: we have no objection whatever. Indeed I feel that this report should also be sent direct to the Economic and Social Committee.

The second proposed amendment suggested by the Committee is the new Article 7 (a). The Commission is grateful to Parliament for drawing attention to this deficiency in our Directive. The question of pursuing one's claim through legal channels should indeed be settled. Here too we can assure Parliament that we have no objection. We shall therefore amend our proposals accordingly under Article 149 of the Treaty.

I am very glad that this Directive has the unanimous support of Parliament. We are dealing here with one of the elements in the creation of equality between men and women in all aspects of social life. We trust that the Council will reach a speedy decision on this matter so that it may take a further step towards complete equality in the treatment of men and women.

IN THE CHAIR: MR BERKHOUWER

*Vice-President*

President. — The debate is closed.

#### 15. Directive on illegal migration and employment

President. — The next item is the report (Doc. 352/77) drawn up by Mr Pisoni, on behalf of the Committee on Social Affairs, Employment and Education, on the proposal from the Commission of the European Communities to the Council for a directive on the harmonization of the laws of the Member States to combat illegal migration and illegal employment.

I call Mr Pisoni.

Mr Pisoni, *rapporteur*. — (1) Mr President and colleagues, the subject of the proposal before us for a directive is illegal immigration and illegal employment, a problem which has become and remains one of far-reaching importance and concern.

The proposal for a directive concerns all illegal immigrants from non-Member countries who are resident in the Community. The directive is not, of course, concerned with the migration of Community subjects within the Community because, under the regulations on freedom of movement and social security, they are at liberty to move about and reside in the Member States. Nor is the directive concerned with black labour or illegal employment as such but only in so far as they are a consequence of illegal entry.

## Pisoni

According to estimates, which many consider to be too conservative, there are 600 thousand illegal immigrants in the states of the Community, in addition to their families, which is equivalent to more than 10 % of those who entered legally. Although there is no full and up-to-date information it is clear from press reports and statements by trade unions and other bodies that the figure given is somewhat lower than the real one. Illegal immigrants are usually employed on seasonal work, in agriculture, building, catering or domestic service, and this applies particularly to female labour; they are employed on the most menial tasks and perform work which is least wanted and rarely sought after by citizens of the country concerned. In the major conurbations, many of them lead a day-to-day existence in ways which are not always within the law.

The reasons for illegal immigration are mainly to be found in the difference in the level of economic development between the Community countries and non-Member countries. The economic phenomenon of unemployment or under-employment, which made its appearance in the Community during the economic crisis, is endemic in non-Member countries. Rates of pay in the countries of the Community form a mirage which overcomes difficulties, hardships and all the other snags. This expectation and faith is exploited by those who make fat profits out of the hire of labour and the placing of illegal immigrants in illegal employment. They have established absolute rackets in human labour, with disastrous consequences in human and social terms; there is exploitation, slavery, trade in human beings, dehumanization and contempt for human personality. Apart from being exploited as workers, illegal immigrants have no civic rights, are excluded from social security and pension schemes, have no means of asserting their rights and are constantly exposed to blackmail because they incur the penalties laid down by local laws on residents. They sometimes live in impossible places, always just outside the civil and social life of the community.

To cope with these developments, which are aggravated by the continued crisis in the economy and in employment, the Council of Europe, the International Labour Organization and the trade unions have, together with the governments of the various countries, all taken decisions with a view to ensuring that the problem is treated as an emergency and that appropriate steps are taken to cope with it.

The European Parliament called for positive action to deal with the situation in its resolution on the Action Programme for Migrant Workers and their Families. In its resolution of 6 February 1976, the Council of Ministers of the Community regarded it as important in this connexion to:

1. strengthen collaboration between Member States to combat illegal immigration;

2. ensure the provision of appropriate sanctions to repress trafficking in labour;

3. ensure the fulfilment of employer's obligations and the protection of rights acquired by workers as the result of the work they have carried out.

In its proposal for a directive the Commission has provided for the first and second aims but, regrettably, dropped the third on legal grounds. The Committee on Social Affairs expresses its satisfaction with the choice of a directive as the legal instrument but regrets that it is non-committal regarding the special social problems and the obligations of the employers since on this second aspect, it goes no further than to call for the harmonization of laws in the Member States so as to mitigate the wrongs suffered by these workers, through no fault of their own, as a result of their illegal situation.

The directive provides for the harmonization of laws in the Member States with a view to the prevention and suppression of illegal immigration and illegal employment. To this end it proposes that there should be an information campaign in the countries of origin, that control should be exercised at the frontiers, at places of employment and at employment agencies and that sanctions be applied to natural or legal persons who organize or exploit illegal immigration.

As rapporteur for the Committee on Social Affairs I think the wording of the directive does not do justice to the seriousness of the problem or to the resolution of the Council of Ministers. The effect of ignoring the social problem is to mutilate the directive and correspondingly weaken its effect. The fight against illegal immigration can be carried out by prevention and punishment with sufficient severity but it could be carried on much more effectively if those who profit from it were deprived of their gains.

If, as I proposed in my capacity of rapporteur, illegal entrants were granted the right to receive everything due to them for work performed and illegal workers were entitled to assert their rights against the employers and compel them to pay the social security charges relating to the work performed, very few of them would take on illegal immigrants. We must not lose sight of the fact that, because he has offended against the laws of a Member State on entry and on residence, an illegal immigrant is always at a disadvantage and least able to defend himself.

In an attempt to give the proposal for a directive greater scope and consistency, I had suggested certain amendments relating to the peculiarly social aspects of the problem specifically providing for a more extensive information campaign in the Community and in non-Member countries, stricter control, payment for work done, the obligation of employers to pay all social security charges as well as for a means of redress for an illegal immigrant in pursuit of his rights, a



## Pisoni

pledge to regularize the position of as many legal immigrants as possible, thus reducing to the minimum the number of those to be repatriated, and a specific period within which employers could themselves take action to regularize the position of immigrants and avoid the penalties prescribed.

The opinion of the Legal Affairs Committee was sought on the proposal as amended on those lines. The rapporteur, Mr Calawaert, at first expressed the view that, with the exception of certain changes to conform with legal and procedural requirements, he agreed with the amendments. Subsequently, however, he changed his mind. For a number of reasons relating to the legal foundation on which the directive and the amendments are based and while continuing to express agreement with the intention behind the amendments and indeed acknowledging the need to cover the social aspects, he expressed his opposition to almost all the amendments.

Although, in my judgment and in that of experts I consulted, the legal objections are rather weak, the majority of the Committee on Social Affairs rejected various amendments and an opportunity to act with consistency and determination regarding the human and social aspects of the problem.

Contrary to what some people have repeatedly argued, there was nothing oppressive or impracticable in the amendments which were proposed and rejected. As I said earlier, at the point in the preamble to the directive where there is a reference to the need to mitigate the wrongs suffered by these workers, through no fault of their own, as a result of their illegal situation, the directive itself paved the way for the inclusion of amendments along these lines. The Social and Economic Committee's opinion laid emphasis on these aspects of the problem and expressly suggested that there should be provisions relating to the social consequences and to recognition of the fact that an illegal immigrant is really a victim of circumstances. I should not like the European Parliament to show less courage on this issue than the Council and the Economic and Social Committee. I must stress that both the Legal Affairs Committee and the Committee on Social Affairs have asked the Commission of the Communities to produce another instrument to fill this gap.

In accordance with the wish expressed by the majority of the Committee on Social Affairs, I have no further changes to propose as rapporteur and express the hope that the House will give its consent to the directive proposed by the Commission subject to three amendments approved by the parliamentary committee, which accord with the Commission's proposals.

The proposals contained in the amendments have been embodied in the resolution approved by the Committee on Social Affairs. This expresses satisfac-

tion that the problem is being tackled and that this is being done by means of a directive but it deplors the absence of any reference to the employers or to the principle that the employers' obligations must be fulfilled in respect of pay, provident fund contributions, social security schemes and recognition of the rights acquired during periods of employment. These are duties imposed by considerations of justice and humanity. The exploitation of man by man can obviously not be allowed to go on and those who have practised it must be told to stop.

To give the directive greater force, the resolution proposes that much more should be done to provide information and controls and to harmonize penal measures against those who traffic in immigrants. Despite the high level of unemployment in the Community, the Member States are asked to do everything possible to regularize the position of illegal immigrants both on humanitarian grounds and because there are so many of them.

The resolution could not fail to conclude with a plea for the adoption of a new development policy which does not perpetuate the division of the world into rich and poor but works towards a fairer distribution of resources, gives human beings priority even over economic considerations, promotes the development of non-Member countries and cuts the root causes of immigration through force of circumstances, not only on humanitarian grounds but as the necessary condition of peaceful co-existence between all nations and within the borders of our respective countries. As Europe prepares for its Parliament to be elected by direct universal suffrage, it must, in terms of human welfare, have greater credibility as an instrument of peace and social justice.

As rapporteur, I ask the House, on those grounds, to approve the resolution and the textual amendments to the directive and I call upon the Council to adopt the directive without delay.

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

**Mr Albers.** — (NL) Although the Socialist Group disagreed with Mr Pisoni in the Committee on Social Affairs, I should like to thank him warmly for his report. We were unable to agree on the possibility of extending the scope of the directive. The differences of opinion remain but our general attitude towards the social position of migrant workers is undoubtedly the same.

The aim of the directive is to combat illegal migration and illegal employment. This implies that it is necessary to try to improve the social position of migrant workers. We must ensure that the welfare system which has been built up over a number of years is not undermined by the illegal employment of workers, in violation of all existing rules.



## Albers

In the action programme discussed by Parliament on 1 September 1975 illegal employment was the subject of close scrutiny and it was recommended that priority should be given to efforts to combat it. This whole question has since become considerably more acute owing to the rise in unemployment. The Member States have of course been compelled to impose restrictions on immigration at exactly the same time as the arrangements for the reuniting of families, which we strongly advocated, came into force. The wives and children of migrant workers who had been employed for a considerable time in the Community have been coming and settling there with the head of the family. The recruitment of workers from third countries has been falling off markedly and has now practically come to a standstill. This has of course had all sorts of consequences. Among these there is not just the problem of workers crossing the frontier and finding work illegally. There is also the problem of workers who have already been working in the Community for a long time but whose position has become illegal because they have lost their entitlement to benefits after long periods on the dole and consequently, being unable to provide for their families, lose their residence permits. It is obviously particularly harsh for these people to be compelled by poverty to return to their countries where they can only expect more poverty. It is hardly surprising that many have sought ways of remaining here and have been led to break the law to do so.

The situation is all the more tragic as practically nothing has been done by the Member States of the Community to help these people return to their countries. Provision should have been made to ensure that if these people are compelled by circumstances to return to their countries they are in fact accepted back. The French have recently introduced a repatriation grant, but what in fact happens is that the people claim their grant and then cross over into another Member State and get illegal employment there. This measure has not therefore proved very useful.

Any attempt to frame a Community labour market policy, with the objective of reducing unemployment among young people and women, is bound to run up against the extreme difficulty of creating jobs. There is a clear need to distribute available work more equitably but it is equally clear that the whole question of immigration is steadily changing. Recruitment procedures must be subject to particularly close scrutiny and illegal employment must therefore also be combated. Having said this, however, we are obliged to admit that Community measures are necessary to combat illegal unemployment because effective results will not be achieved if the Member States each adopt their own measures to check it. The various attempts to do so in the various Member States have met with complete failure. With the open frontiers we have it is relatively easy to come in without a residence permit and get work. But if we try to tighten up frontier controls the people entering the Community will start to question the need for such controls and

will have an unfavourable first impression of the European Community.

It is of the utmost importance that measures should be taken at Community level and that efforts should be made to ensure that the cost of eliminating these illegal practices should not be fobbed off on to other Member States. Manpower traffickers must be tracked down, prosecuted and punished and employers who take on these people illegally must also be tracked down, prosecuted and punished in accordance with Community rules. In this respect the Socialist Group is in full agreement with the proposal for a directive. We wondered why a directive should be used and not a stricter form of legislation such as a regulation, but we now realize that in view of the legal difficulties involved we could not demand this and that the solution opted for was the only one possible.

I now turn, however, to the point on which we have serious criticisms to make. This directive and the explanatory memorandum refer to the improvement of the social conditions of these migrant workers. Now, it is obvious that to combat illegality is to improve the position of foreign workers who have complied with the requirements of the law, because jobs are jobs. If these jobs can no longer be filled by illegal workers they must be taken by legal immigrants who can then earn at least the minimum wage. They will get social security and will also be entitled to social insurance. This is true, it is in the interests of legally employed foreign workers that illegality should be combated but what worries us is the fact that no attention is paid in this directive — and in this respect we fully agree with Mr Pisoni — to the position of illegal workers. I have just made a distinction — which really ought to be studied in greater detail — between illegal workers who have become illegal and illegal workers who have simply crossed the border in order to find work. Workers whose position has become illegal no longer have residence permits. There can be all sorts of reasons for this. One of the commonest reasons is ignorance of the language of the country in which they work. These workers often do not take advantage of their rights and unwittingly find themselves in difficulties and all sorts of unpleasant situations. The harmonization of legislation of immigration on immigrants is therefore urgent, as also is the harmonization of the issuing of work permits. The still generally applicable requirement that a foreign worker must have lived and worked for five years in a country is too strict; five years is too long under the present circumstances. In those five years all sorts of circumstances may arise in which these workers may find themselves in difficulties. They do not enjoy the same rights as are enjoyed by native workers until five years have elapsed. This period must be reduced. The international labour organizations are also urging that it should be reduced. One might also ask the question: have all these people whose position is regarded as illegal paid taxes during an earlier period? Have they also paid social security contributions? Can we be absolutely sure that they have taken

## Albers

full advantage of all the rights to which they are entitled in the various countries? If we start wagging our finger at the employers who exploit these workers, it might also be justifiably asked whether the state always acts irreproachably in its treatment of these workers who have left their poverty-stricken countries in an illusory search for prosperity.

My group gives its full support to this directive in its present amended form. We urge that the profiteers should not be spared but punished. We also think there should be a follow-up. We urge that action should be taken with a view to producing a new directive. We do so partly on the basis of paragraph 15 of the resolution in which we join the Legal Affairs Committee in regretting that the proposal does not fully put into effect the Council's resolution of 9 February 1976 on illegal migration.

We believe that supplementary proposals must be expected from the Commission in the near future, especially as regards the social legislation aspects of this issue. By this we mean the harmonization of legislation on the granting of work permits as pursued by the various Member States. There should also be greater harmonization as regards the recruitment of workers. Employment contracts must be scrutinized very closely. Foreign workers must also be provided with more information to ensure that they have adequate knowledge of the terms of their employment in our countries and of their rights as regards working conditions and social insurance. As far as these rights are concerned — and this is my final point — a system must be set up to ensure that these people are provided with better legal protection than hitherto; too many of them are coming to grief in this way.

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

**Mr Vandewiele.** — (NL) Mr President, in view of the late hour I shall be as brief as possible.

I would first like to congratulate Mr Pisoni on his report on behalf of the Christian-Democratic Group. As Mr Albers rightly pointed out, the discussion of this proposal for a directive on the harmonization of laws to combat illegal migration ran into certain difficulties. I personally took part in some of the heated debates in the Committee on Social Affairs, Employment and Education. In that committee we gave great attention to the important comments made by the Legal Affairs Committee and the draftsman of its opinion, Mr Calewaert.

My group expresses its satisfaction at the fact that this difficult issue of illegal migration and illegal employment is now being tackled. We congratulate the Commission on the initiative it has taken and we approve of its proposals. These proposals must lead to the taking of preventive and punitive action in respect

of certain situations which we unhesitatingly describe as humanly degrading and scandalous. This debate is not the proper place for using fine words but today I should like to pay tribute to the social compassion displayed by Mr Pisoni. During the lengthy discussion which we held in committee on his amendments it was clear from the way he argued that he was speaking 'from the heart'.

We realize that the proposed directive will encounter serious legal objections in some quarters. I would ask the Commission to take a clear stand on this issue because a minority in the Legal Affairs Committee was of the opinion that Article 100 of the EEC Treaty did not constitute a sufficient legal basis for harmonization of the laws of the Member States to combat illegal migration and illegal employment. This argument is set out in the Legal Affairs Committee's opinion. I hope that this difficulty will be satisfactorily cleared up during this debate. I personally believe that Article 100 does constitute a sufficient basis and I think that any ambiguity on this point should be removed.

No precise statistics are available, of course, on the extent of illegal immigration and illegal employment but a great deal of illegal activity has taken place. According to the Commission's explanatory memorandum, the International Labour Organization estimates the number of illegal workers in the European Community at about 10 % of all migrant workers, i.e. almost 600 000. This figure does not include members of their families. I do not know whether Mr Pisoni is right when he says that this estimate is well below the real figure. In any case, this estimate is alarming enough to justify Parliament's concern with this issue today. This is unquestionably a delicate social issue and it is becoming more acute, as the previous speaker said, because of the awkward problem of the 6 million people without work in Europe. This problem cannot be solved without close cooperation between the Member States. Our systems of mutual assistance at administrative and legal level must be strengthened and harmonized. Not only to check the flow of illegal immigrants but most of all to unmask and punish the manpower traffickers and — to put it bluntly — exploiters of these often defenceless workers. Mr Pisoni has argued in favour of certain amendments implying a heavier social commitment and I agree with Mr Albers' remark on this subject. For various reasons some of his original amendments to the directive were ultimately withdrawn or rejected. The Christian-Democratic Group also regrets, with the Legal Affairs Committee, that this proposal does not fully put into effect the Council's resolution of 9 February 1976. I am sure that the Commission representative will presently be associating himself with this view in his reply. We therefore turn to the Commission and ask it to produce supplementary proposals in the near future with a view to settling, in particular, the social aspects of this problem.

## Vandewiele

A final, brief remark. In Article 7 of the proposal the Member States are requested to forward to the Commission, after a given time-limit, all relevant information which will enable it to submit a report to the Council. Just now the Commission representative declared that he had no objection to an amendment to the effect that a report should also be submitted to Parliament. Hence my request. It is, of course, an oral amendment but I am practically certain that Parliament would give unanimous approval to the addition of the words 'and to Parliament' in Article 7 so that the report is also submitted to us.

We agree to a certain extent with the draftsman of the opinion of the Legal Affairs Committee when he says that the Council resolution of illegal migration has been only partly implemented. More attention must be paid to the social aspect of this problem. I am absolutely convinced that, in the light of what has already been said by the many speakers who have preceded me, there is general agreement in the House on the Pisoni resolution and that the proposed directive will therefore be unanimously adopted.

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

**Mr Meintz.** — (*F*) Mr President, the problem of large-scale migration is one with which we are all familiar. It has frequently been a subject of debate within this Chamber. It is estimated that the number of foreign workers who have settled with their families in the Community countries is now in the region of 10 million. In Luxembourg, a country with a high immigrant population, migrant workers now account for one-third of the total labour force.

On the subject of the mechanisms mentioned just now by Mr Albers in connection with immigration and illegal employment, I should like to point out that the people concerned do not migrate of their own free will, but are forced to do so, generally in the face of economic pressures. Many thousands of workers are driven by unemployment and sometimes extreme poverty to move from underprivileged and underdeveloped regions to highly industrialized regions in order to find jobs. With the industrialized regions thus importing labour from the economically less prosperous areas, the pattern of migration tends to be subject to the vagaries of supply dependent on the state of the economy of the country of employment. At times of buoyant economic activity, many States look to migrant workers to fill the surplus capacity on their labour markets. At times of recession, on the other hand, problems arise on the labour market and the Member States either cut back heavily on their recruitment of foreign workers or else decide not to renew their residence and work permits. It is at times like these that the problem of illegal migration and

illegal employment is liable to assume somewhat alarming proportions, since unemployment and poverty force migrant workers to continue to seek employment — at whatever cost and regardless of the conditions — in those countries in which they traditionally settle. I hardly need to remind this House of the manifold problems which illegal migration causes both for the illegal worker himself and for the country of immigration.

In view of the seriousness of the problem, however, our thanks are due to the Commission for having submitted proposals for harmonizing the laws of the Member States to combat illegal migration and illegal employment. Our thanks are also due to Mr Pisoni for having produced a really worthwhile report, clarifying, as it does, the various problems raised by the proposal for a directive. We approve the amendments proposed by the rapporteur. At the same time we share his regret at the fact that the proposal overlooks certain problems, notably the protection of the rights of workers deriving from the work they perform, and at the total absence of any proposals for harmonizing national laws in regard to the determination of punishable offences and the fixing of penalties.

A uniform application of criminal law in this area would seem to be essential if a concentration of illegal labour in those countries with the most flexible legislation is to be avoided.

Furthermore, certain provisions in the proposed directive invite criticism and I should like to make a number of observations, put questions and submit proposals in regard to Articles 2, 3 and 4.

First of all, I would draw attention to Article 2 (b) which stipulates that '... there shall be an adequate control at places of entry to their territory or at places of employment'. If the objective of the directive is to be realized and if, in particular, illegal employment is to be eradicated, it is essential, in my view, to substitute the word 'and' for 'or' in this passage, for it is clear that of the two forms of control proposed, the only one that is likely to be truly effective is that carried out at places of employment. The modification I am suggesting here forms part of an amendment already tabled by Mr Pisoni, but rejected by the Legal Affairs Committee. I think, however, that the Legal Affairs Committee's objection did not relate to this part of the amendment, but to the addition of a paragraph (b) concerning the control methods to be used by the Member States.

My second observation relates to Article 3, which is somewhat ambiguous. The problem with this Article is that it leaves us in some doubt as to whether the sanctions envisaged are also applicable to workers. The wording of paragraph (a) suggests that they are, since the worker is also a person who participates in 'activities which are intended to lead to illegal migra-

## Meintz

tion and illegal employment'. However, this interpretation is incompatible with paragraph (b), which specifies that persons found guilty of an offence in respect of illegal migration and illegal employment are liable for the repatriation costs of the workers concerned. This paragraph may be interpreted as meaning that the worker himself cannot be penalized. If this is so, are the Member States at liberty to prosecute workers under stricter national provisions? Such provisions certainly exist under Luxembourg law.

My third observation concerns Article 4. Under the terms of the proposed directive, appeals may only be lodged against sentences imposed for the taking up of illegal employment; the possibility of appealing against sentences passed for reasons of illegal entry would seem to be entirely excluded. Article 4 thus provides the national authorities with a means of circumventing appeals by prosecuting offences on the basis of illegal entry or illegal residence rather than on the basis of illegal employment. Consequently, while approving the general objectives of the Commission's proposal, we may legitimately ask what contribution it is capable of making to a just, equitable and lasting solution to the problem of illegal migration. Clearly, to solve this problem, we must tackle the root causes. The Commission has itself recommended this approach on a number of occasions, e.g. in answer to a question put by the chairman of my Group, Mr Durieux, on the subject of measures to combat moonlighting, which is a far more widespread phenomenon than illegal immigration. The Commission maintained at the time that less reliance should be placed on the imposition of strict penalties than on measures aimed at combating the causes of moonlighting, namely the fiscal and social structure of small businesses and the inadequate organization of the labour markets.

It is my opinion that the directive on illegal migration which we are now debating is aimed more at alleviating the symptoms of the problem than at eradicating its root causes. Controls will never completely put an end to illicit immigration. At best, they will only act as a partial deterrent. As we have already said, the problem of immigration is a structural problem. We must find ways of halting the migration of labour to our industrialized areas; indeed, we must reverse the process by concentrating on industrial development in the poorer regions. We share the rapporteur's view that any final solution to the problem of migration, whether legal or illegal, depends on a determined and constructive effort being made to develop the economies of the countries of origin of migrant workers, with a view to creating more employment opportunities in those countries. Only in this way will it be possible to avoid a further widening of the gap between the rich regions and the poor and underdeveloped regions of Europe and Africa. It is with these considerations in mind that my Group will be voting in favour of the motion for a resolution.

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

**Mr Cousté.** — (F) Mr President, I should like to congratulate the Committee on Social Affairs, Employment and Education's rapporteur for setting out so clearly the human and economic aspects of the problem we are considering, aspects which the speakers who preceded me have also stressed. I should therefore, like to express my group's support the concern which inspired the committee to draw up this report. I also wish to ask a question which, I believe, is uppermost in all our minds: is a directive the right instrument to use? The Council's resolution of 9 February 1976 merely envisaged the need for closer cooperation between the Member States in combating clandestine immigration which, I would stress, implies neither harmonization nor binding legislation.

This brings me to a second consideration: does a directive which is aimed at drawing up a policy for workers who are nationals of third countries, not fall outside the Commission's terms of reference. In other words, are we not attempting to combat illegal immigration and illegal employment of persons from outside the Community. Although the Treaty establishing the Community calls for the adoption of common economic policies it does not contain any provision for a common employment policy. Articles 48 to 51 are intended to promote free circulation within the Community of workers who are citizens of the Member States and to abolish all forms of discrimination based on nationality; but these provisions do not call for a common policy regarding workers from third countries. I should be very interested to hear the reactions of Mr Vredeling whom I see on the Commission bench. Furthermore, Article 3 of the Treaty of Rome which enumerates activities which the Community shall undertake in fulfilment of its task do not authorize the kind of action envisaged by the proposal for a directive.

We take the view that the Member States have sole responsibility for residents from outside the Community. Nonetheless, I repeat, since we have approved the policy set out in Mr Pisoni's report, it is only proper that, in a spirit of Community cooperation, the Member States should take steps to deal with the problems posed by illegal immigration and illegal employment. How shall we do so? By adopting joint solutions. That is why I believe that the correct solution would be a Council resolution which I feel would be a more appropriate instrument and would better express the cooperation between the Member States in a task which clearly calls for cooperation.

Nonetheless, Mr Pisoni is quite correct in calling, in his report, for better prior information to dissuade workers from illegal immigration which, as the report points out, lures the pockets of the slave traders, ultimately traps the worker in a situation from which he

**Cousté**

cannot escape and drives him to despair. A Community which is experiencing severe unemployment and serious economic difficulties cannot ignore the problem. Mr Pisoni's report deserves our approval when it calls for humane and effective measures to combat illegal migration and illegal employment of workers from outside the Community.

*(Applause)*

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

**Lord Reay.** — Mr President, illegal immigration into the Community or into the Member States of the Community — and I include, as Mr Albers dealt with the point, not only originally illegal immigration but also immigration which may originally have been legal but which becomes illegal — is plainly a problem which has been growing, which exists on quite a large scale and which therefore has aroused the concern which has been expressed this afternoon.

We in the United Kingdom have undoubtedly had a considerable amount of illegal immigration, although the exact extent of it is not known to us. In this connexion I would like to say that it would perhaps have been better if we could have had a little more information either in the report produced by the Committee on Social Affairs, Employment and Education or from the Commission to throw more light on the statistics in this area. This is a field in which it is particularly difficult for the nationals of one Member State to have even an elementary idea of what the problems are in another Member State. They differ very greatly from one Member State to another. It is for reasons like that — the fact that United Kingdom conditions and experience are quite substantially different from those in many, if not all, of the other Member States of the Community — that I have very considerable reservations to express about Mr Pisoni's report and the Commission's directive, reservations which will oblige me on behalf of my group to abstain when it comes to voting on this matter this evening. I should like to give briefly at least the main reasons why I am drawn to that conclusion.

First of all I could point to some of the respects in which the United Kingdom is in a different situation. It has plainly a different geography — that is to say, a different type of frontier — from that of many Member States on the continent. The pattern of immigration that it has had, in terms of the countries from which the immigrants have come, is also quite different from that of other Member States. We in the United Kingdom probably feel at this moment that the national legislation which we have is sufficient to control this problem and do not have the feeling that there is a need for legislation on a Community basis. One of the main problems for us in the United

Kingdom is that this directive of the Commission would create for us the entirely new offence of illegal employment: we have the offence of illegal immigration but not that of illegal employment. Also it would make it an offence for the employer knowingly to employ an illegal immigrant, and this would create a very new and difficult problem for us. It would plainly oblige employers to follow some sort of procedure in order to make an attempt to establish whether they were employing their employees legally or not. In the United Kingdom it is not clear how such a method could be easily adopted.

Secondly, there is the objection that an obligation would lay on the employer to make a payment with regard to repatriation costs, or that it might do so as it appears in the directive.

Thirdly, we find it a difficulty that the offence is made punishable by imprisonment. I think the Commission will confirm that it is a rarity for Community directives to provide the sanction rather than leave it to the Member State to decide for itself what the sanction should be. It is, I think, extremely unusual for this to be done. To make a specific provision for imprisonment is on the whole not desirable, because each country has its own range of different punishments. The punishment for one crime must be made to fit into the pattern of punishments for others. On that account also therefore we have some objection.

Further problems for us in the United Kingdom would occur over the question of appeal. I believe there is no system of appeal against sanctions applied in the case of illegal immigration. Also we wonder whether the information provided for will be supplied to all those who might wish to take up employment within the Community and whether this is not going too far. Actually this is not an objection that would apply, I would have thought, uniquely to the United Kingdom. It would seem to me to be going very far indeed for this legislation to carry the obligation on Member States to supply the information to all those people who might wish to come into the Community to take up employment.

I would not like to say that my group regards this proposed legislation as necessarily and definitely wrong: We just have very serious reservations on it, and I have given expression to these reservations. I am quite sure that the Commission will hear them expressed again on later occasions as this proposal passes from this House to another place — in particular, of course, to the Council.

I should like to ask the Commission why it is that they have found it necessary to bring forward this legislation. I am not convinced by the preamble. I think in the beginning that the justification contained in the first two paragraphs and the reference to Article 117 very specious. As to the third paragraph, where

### Lord Reay

they talk about the growing interdependence and the integration of the national labour markets as a reason for making this proposal necessary, that might be a very good reason, but is it the main reason? Is it not the main reason that, because the markets of the Community are now move with greater ease from one Member State to another, they may become more likely to find illegal employment in another Member State and so pose a threat to the employment situation in that Member State? If that is the reason, then it is obviously a very good Community reason for legislation of this kind. I should like to know from the Commission on which of the various reasons which they give they would now put the main emphasis for the need to have such legislation. What I suspect may be the case is that while Community legislation may be a very good thing with regard to quite a number of Member States, in particular those with open land frontiers and various other common features, it may not apply nearly so well to some other Member States, in particular the United Kingdom, but that the Commission feels that they could not possibly have legislation to cover some Member States and not others. In conclusion, while I have very great reservations about this matter, I will not carry it to the point of opposing the proposals of Mr Pisoni and of the Commission. I rather share the scepticism of Mr Cousté, and in the final analysis will feel obliged to abstain.

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

**Mr Masullo.** — (*I*) Mr President, the group which I have the honour of representing is in substantial agreement with the spirit of this proposal despite certain reservations and misgivings.

I should like to begin by saying that the debate so far has added a note of irony to those reservations and misgivings; dramatic situations often contain an element of irony. We are discussing a dramatic social problem, illegal immigration, a social problem of the utmost gravity because, as immigration always arises from the pressing need to find work in other countries when it cannot be found at home, one disease is aggravated by another which is fatal because, as we were reminded by Mr Pisoni, whom I should like to congratulate on the truth of his analysis and depth of conviction, an illegal immigrant can be blackmailed. An illegal immigrant is not only afflicted by poverty and want but is specially vulnerable to blackmail. But despite the seriousness of the social problem, it is ironical that a number of speakers have expressed both their agreement with the proposed directive and, at the same time, dissatisfaction with its inadequacy.

So, if there is almost universal dissatisfaction with the inadequacy of the proposal, why have the two committees, the Committee on Social Affairs and the Legal Affairs Committee, not approved the proposed amendments, which would have undoubtedly attained the

objectives which the proposal for the resolution sets out to achieve? I think it is ridiculous that although we say that we are dissatisfied and that there is something missing, nothing is done to improve the proposal.

Having said this, I should like to point out that this proposal for a resolution has its origin in the resolution of the Council of 9 February 1976, the third paragraph of which was concerned with the obligation imposed upon employers relating to the protection of workers' rights accruing from work performed. This third item in the Council's resolution and the measures which, it suggested, should be adopted to cover it are nowhere referred to in the proposal of the executive Commission nor has it been inserted by way of amendment either by the Committee on Social Affairs or the Legal Affairs Committee. This cannot be regarded as an accident or a minor omission though in one sense it is the weak point of the whole proposal for the resolution.

This is true even from the legal point of view because, unless I am mistaken, there have been many expressions of doubt about the legal basis of this proposal. Article 100 of the Treaty provides for directives to be issued for the approximation of laws in the Member States if differences between them affect the functioning of the Common Market.

I often wonder whether it isn't the use and misuse of illegal labour which are responsible for illegal immigration. Isn't it this use and misuse of illegal labour, or black labour, outside the law, which interfere with competition? Obviously, if in a particular country illegal workers are taken on in any craft or industry and they are not paid at the appropriate rates provided for under the terms of a contract and contributions are not paid for social security, pension and other purposes, costs of production in that industrial centre are going to be lower than in other production centres of the same type in other countries. This would be nothing more or less than unfair competition. Because of this, I believe Article 100 can constitute a valid basis for a directive of this kind but it has been ignored. The proposal provides for information to be given to those concerned, for controls at places of work and at the frontiers and for the punishment of those who organize the 'traffic in workers' but, as has been pointed out from time to time today, it makes no provision for the one key factor if its objectives are to be achieved, namely, the obligation of all employers to pay an illegal worker at the same rate and to pay on his account the same social insurance contributions as in the case of other workers.

It is only through a rule of this kind that if, for any reason, an illegal worker were found out and were unable to carry on working, he would have the right to go to court and claim payment in full of everything which he had not hitherto been paid because he was not lawfully employed.

**Masullo**

Even the black market in labour is governed by the law of supply and demand and if an unscrupulous employer knows he can take on an illegal worker, pay him less and leave him uninsured, he will obviously prefer illegal labour. So the only way to strike a blow against the use of illegal labour is to ensure that the employment of illegal labour is not only dangerous because of the penalties under criminal law but also unprofitable.

Clearly, the two terms 'illegal migration' and 'illegal employment' have different meanings. Illegal migration is obviously one of the causes of illegal employment but it is not the only one. Even someone who is legally residing in a state can be in illegal employment when, as the result of particular social and economic circumstances, he is compelled to accept work which is not covered by law. This is black labour. Illegal migration is obviously one of the major sources of black labour because his circumstances leave the illegal immigrant with no alternative but to accept illegal employment.

I am wholly in agreement with the spirit of this proposal for a directive but, in my view, it has serious weaknesses, rather like a beautiful car which appears to be in perfect running order but has no engine.

While, therefore, my group is in favour of this directive, we have voiced our misgivings and criticisms in the hope that this directive will as soon as possible be followed up by another proposal for a directive which will give the car an engine, because at the moment it is not a motor-car but only a piece of highly polished body work.

**President.** — I call Mr Lezzi.

**Mr Lezzi.** — (I) The attitude of the Socialist Group has been described in his official capacity by my colleague, Mr Albers. I agree entirely with what he said especially when he was dealing with the appeal made to the Commission and to the Council to produce, as soon as possible, a new directive which will make good the gaps and shortcomings of the present one.

I should like first of all to pay tribute to the sympathetic way in which the rapporteur dealt with a complex and difficult problem and the technical and political possibilities of solving it. He covered not only the economic and legal aspects of the measure and its practical application but, in particular, the human issues which lie at the root of the problem and the personal circumstances which must be taken into account in any attempt at harmonization, such as the one we are about to approve.

Personally, I can only say I am glad we have had this debate and express the hope that the Council of the Community adopts the directive after paying due regard to the amendments submitted by Mr Pisoni and approved by the Committee on Social Affairs.

However, I cannot refrain from saying that, like the rapporteur, I would have preferred a more comprehensive and explicit opinion especially as regards the practical application of the principles embodied in the proposal for a resolution and on which we are unreservedly agreed. I felt that there was some discrepancy between the general pronouncements relating to the aims of the proposal and the practical suggestions made to the Commission and the Council in the form of the draft amendment submitted. I had and still have an impression that, in many respects, there have been only grand declarations of principle and that there is no real determination to translate these pronouncements into hard facts, that emphasis has been laid on the extent to which the proposal protects the state rather than the migrant worker, and that there is a disposition to defer the settlement of some by no means unimportant issues until the legal orders of the Member States achieve a greater degree of affinity.

In my opinion, this creates a situation in which we wait for further legislation and this means that the matters which we want to harmonize and control are left far too open.

It is not that I am against the directive but that, if I may say so, it would have been better not to have left them so open without the necessary legislative safeguards, using some formula for subsequent adjustments, to have laid down the principles and leave them to be introduced gradually. If we had done this, we would have been in the position, as from now, to lay down the general outline of the legislation. This applies equally on the subject of preventive action, such as information and controls, the subject of the harmonization of criminal law to provide the necessary sanctions, in particular the penalties to be imposed on those employing illegal labour, and on the subject of regularizing the position of the workers concerned. As Mr Albers, amongst others, rightly stated both in committee and during the present debate, this would have been a better way of carrying out the resolution of 9 February 1976 on that part of the Action Programme for migrant workers and members of their families which referred to the problem of illegal immigration.

I am concerned with the problem of illegal migrants less on humanitarian grounds than for widely recognized considerations of justice. Everyone knows that migrant labour has made a substantial contribution to the development of the economies of the importing countries.

Members of this Parliament will be aware of the OECD — sponsored economic investigative study of a few years ago. A French research 'équipe' established that, in the case of France alone, the contribution made by migrant labour alone to the increase in the



## Lezzi

annual gross national product was about 7%. In other words, if it had not been for migrant labour, the increase in the gross national product would have been much less and the level of prosperity correspondingly lower.

In the light of such a massive contribution, the rewards which such immigrants receive for their work are extremely small and are completely non-existent in the case of illegal workers, who are compelled to sell their labour on outrageous terms and to live in conditions of unimaginable precariousness. Despite the fact that such workers are residing illegally in the Community, it would be ridiculous to serve a expulsion order on them, since they work there. On the contrary, measures should be adopted enabling their position to be regularized, however gradually, and granting them the fullest possible protection by the courts. This is why I regret the failure to adopt the articles proposed by Mr Pisoni, providing social and economic safeguards for migrant workers and, as other speakers have explained so convincingly, I consider it essential for us to be given not only a formal undertaking in the near future that there will be a fresh and different directive but a specific assurance that it will be along the lines indicated in the amendments and in the debates which developed in committee and in the House.

Finally, before we approve a Community measure, should like to draw attention to an omission which in our case is one of the utmost gravity. I refer to the measures relating to illegal immigration and illegal employment adopted in the wider context of the International Labour Organization during the international conference held at Geneva in 1975 and enshrined in Convention 143. To this very day, if my information is correct (and I took the opportunity of submitting a question and received a written reply) the convention has not been ratified by the Member States of the Community, which is extraordinary and certainly does not say much for the good intentions of the Governments. I trust that this is only a question of what are known as technical hitches and that promulgation of the Community enactment will take place simultaneously with the adoption of the legislation provided for by the International Labour Organization.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (NL) Mr President, I should first like to express my appreciation to the rapporteur of the Committee on Social Affairs, Mr Pisoni, and also to the Legal Affairs Committee, which delivered an opinion to the Committee on Social Affairs on this difficult matter. Mr Calewaert's opinion has been incorporated in Mr Pisoni's report. The amount of time required by Parliament to determine its position testifies to the complexity of the issues involved. I would also point

out in passing that this Commission proposal was drawn up under the previous Commission. I mention this because it is relevant to certain things I should like to point out in connection with the comments which have been made.

Our proposal as based on a Council resolution concerned with, *inter alia*, illegal immigration. The Council makes a number of quite specific pronouncements in that resolution. It states its view that it is important to intensify cooperation between the Member States in the campaign against the illegal immigration of workers who are nationals of third countries and ensure that appropriate sanctions are laid down to repress trafficking and abuses linked with illegal immigration. It considers it desirable that employers should fulfil their obligations and that the rights of workers relating to the work they have carried out should be safeguarded without prejudice to other consequences of the unlawful nature of their residence and employment. That is what the Council said and in this connection I would like to say to Lord Reay, who also discussed this point, that this Council resolution also bears the signature of the responsible British minister.

The British Government has signed this resolution. This means that there was clear agreement at Council level about the need for Community action, notwithstanding the doubts you expressed, if I understand you correctly, as to whether Community action was appropriate in this area.

The Commission has simply carried out what the Council decided in its resolution.

It has been pointed out by various speakers that there is a need for action in this area. There are many social reasons why a definite solution must be found for the problem of immigration into the Community of illegal workers from third countries. I fully agree with Mr Albers, Mr Pisoni and others that this is a problem that must be solved.

Lord Reay wonders why it is not clearly stated in the proposal for a directive why action must be taken. I think this is explained clearly in our preamble. This contains three considerations. One of them refers to the social injustice resulting from this illegal employment, while another states explicitly that in view of the growing interdependence and integration of the national labour markets, the measures taken by the Member States individually against migration for the purpose of illegal employment, or the absence of such measures, inevitably impinge on the effectiveness of the measures taken by the other Member States. In practice it turns out that countries which have taken the least strict measures against illegal immigration are most attractive to illegal workers. Thus if one country takes measures and another country does not the problem of illegal workers is, as it were, transferred from one country to the other. That is one of



## Vredeling

the main reasons why the Community must act as a Community. Of course, the United Kingdom has adopted a somewhat different position in this matter, a point I shall return to in a few moments.

In drawing up this proposal for a directive the Commission proceeded very cautiously. It held wide-ranging consultation with bodies such as the Standing Committee on Employment, the Committee on Free Movement of Workers, with management and unions and so on and in each case it was felt that action by the Community was desirable. In particular, the trade union movement urged that action should be taken in the form of a directive and my predecessor, Mr Hillery, had therefore decided that the directive was the legal form to be used. This directive is aimed at harmonizing laws but also affects other areas, as I shall explain in a few moments. The main objective is thus the prevention of illegal migration by means of better information and better supervision, secondly the introduction of strict penalties for employers who take on illegal migrant workers and thirdly the granting of more protection to illegal migrant workers. That is, roughly speaking, the objective of the directive.

Now, I said a few moments ago that the Commission had to make a choice as regards the legal form to be given to its proposal. I think the necessary attention was paid to this matter in the Legal Affairs Committee. We had to decide whether to propose a recommendation, a resolution or a directive to the Council. The Commission opted for a directive. This was the choice of my predecessor, Mr Hillery. However, I fully support the arguments on which this choice was based. Practical action is urgently required and the Treaty provides for specific instruments for such action. Why not therefore make use of them? In any case, the directive allows the Member States complete freedom to incorporate these measures themselves in their national legislation. The directive is, however, binding and this of course reflects the choice which we made, i.e. that definite rules were necessary in this area. Moreover, I shall quote a passage in a few moments which shows that the present British government is in full agreement with this principle.

We then had to draw up this directive and the latter had to be based on certain articles of the Treaty. My predecessor chose as the legal basis the generally worded Article 100 of the Treaty because it contains certain provisions regarding the harmonization of legislation, but as a result of this decision we had to take account of certain restrictions since the article on harmonization of legislation has limitations. Where it is necessary to deal with matters which do not come directly under the EEC Treaty — and this is indeed the case in this area — recourse must be had to another article, i.e. Article 235 of the Treaty. My predecessor opted for Article 100. The rapporteur, Mr Pisoni, and indeed everyone here has expressed criticism, which is also expressed in the resolution, in no uncertain terms. Paragraph 3 reads as follows: 'consequently strongly deplores and finds it unaccep-

table that the directive wholly overlooks the fundamental principle of the employers obligations and the correlative protection of the rights of illegal migrant workers deriving from the work they perform'.

It is not true that we have wholly overlooked this. This gap is due to the choice of Article 100 as the legal basis. The Commission is not, however, insensitive to this criticism and I personally take the view that, having heard this discussion and having also heard Parliament's opinion, we must extend the basis on which our directive rests. Article 235 is the obvious answer here. This is a personal undertaking on my part which will of course have to be discussed in the Commission, but we must make every effort, on the basis of Article 149 and having heard Parliament's opinion, to adopt this course. Parliament will, of course, be informed of the results of the discussion in the Commission following the debate here in Parliament.

There are various reasons why I think that the basis should be extended. Parliament's resolution contains a request for harmonization of national penal legislation. This is set out in paragraphs 7 to 10. The harmonization of national provisions is in fact something which goes rather beyond the harmonization provisions of Article 100; Article 235 would be more relevant here. Hence I emphasize again that we shall act on Parliament's wishes. This legal basis must be extended. Not only do we need harmonization of legislation on the basis of Article 100, we must also settle certain points which do not come directly under the EEC treaty and require the application of Article 235.

One of the reasons why it is necessary to extend the legal basis is bound up with the familiar question, also mentioned in the resolution, of the regularization of the position of the workers concerned. Paragraph 12 reads as follows: 'Requests that the Member States adopt, in their legislation, as liberal as possible when it comes to regularizing the position of illegal migrants and their families'. Such regularization has already been carried out in various Member States. After the debate which has been held here, I think I can promise Parliament that we shall be moving in the direction recommended by Parliament.

I now turn to the amendments. I must repeat what I said before. The Commission is not unsympathetic to the amendments to Article 2 and Article 4 but both Article 2 (c) and Article 4 (b) require a wider basis. They give rise to the question whether an intensified information campaign in third countries and the safeguarding of the rights of illegal migrant workers are at all possible on the basis of Article 100. It would therefore seem desirable for the legal basis to be extended.

I should now like to briefly reply to the objections made by Lord Reay. I shall deal with these objections because he was speaking on behalf of this group but it is well known that his opposite numbers in the House of Commons were not entirely delighted with the proposal that we have put forward. First and foremost,

## Vredeling

it must be stressed that immigration and in particular the illegal residence in the United Kingdom of certain persons is a particularly thorny problem in that country. Reference has been made to marriages of convenience'. This often gives rise to all sorts of unsavoury situations in the United Kingdom. The treatment of these people is symptomatic of discrimination — which one finds not only in the United Kingdom but in all the Member States — on the ground of race and so on. The situation — and Lord Reay will surely not deny this — is fraught with problems, in England as in the countries.

And now the problem is what can be done about it. The concept of illegal employment does not appear in British legislation, but consideration is being given to the possibility of bringing it in, judging from the text which I have before me, in English, of a statement made by the Secretary of State for the Home Office in the House of Commons on 19 February 1977 :

This is a society based on racial equality and harmony in which all with a right to live here are treated fairly. This can be assisted by firm action to check abuses of the present system. New immigration rules will shortly be made to deal with marriages of convenience, aimed solely at achieving entry or avoiding removal. The taking of employment contrary to conditions imposed on entry, which is by no means confined to people from the Commonwealth and Pakistan has been of concern, not only to the government but also to the TUC, as it is currently under discussion in the EEC. Methods of ensuring that all applicants for employment are entitled to take it, will be discussed with both sides of industry. I am also investigating the extent of overstaying by people admitted for temporary purposes. Action in these areas should do a lot to put an end to abuses of the existing system. On all these matters the government will give further information to the House in the near future.

I have quoted this statement because Lord Reay gave the impression here that there were no problems in this area in the United Kingdom. I think on the contrary that there are indeed problems and that discussion of those problems runs along somewhat parallel lines to the discussion we are having at Community level. I hope that in the United Kingdom too the opportunity offered by this proposal for a directive, which we shall be extending following this debate, will be taken and suitable action taken, which, as I have shown, is indeed desired.

A final comment, Mr President, Article 7 of our proposal states that within two years from the expiry of the period of 24 months provided for in Article 6 (1), the Member States shall forward to the Commission all relevant information which will enable it to submit to the Council a report on the application of this directive. Mr Vandewiele proposed that this report should also be submitted to Parliament. In this regard, I can make an undertaking, although this is not a formal amendment but an oral suggestion by Mr Vandewiele, similar to the undertaking I made earlier in the day in another connection.

In conclusion, Mr President, I thank Parliament for its general support for our proposals in this area. I have given certain undertakings. I hope that as a consequence Parliament will give its approval to the Commission's proposal.

## IN THE CHAIR : MR COLOMBO

*President*

**President.** — I call Mr Pisoni.

**Mr Pisoni, rapporteur.** — (I) I can only express satisfaction at the fact that everyone has pointed out that there is something vital missing from the directive and this is, of course, the social safeguards required on humanitarian grounds or (as was pointed out in the report) in the fight against illegal immigration, which will be successful only if we make it unprofitable for those who employ illegal labour. I think this needs to be emphasized even though I cannot conceal my regret that recognition that I was right comes too late.

Mr Commissioner Vredeling has given an undertaking to bring my comments to the attention of the Commission with a view to the re-examination, as necessary, of the legal basis for the directive, in order to cover the social aspects of the problem, which, in our view, are of the utmost importance.

We are grateful to the Commissioner for having given us this assurance and we look forward to proposals from the Commissioner at an early date for a widening of the legal basis which adds the finishing touch which the directive must receive if we want to make it effective and, above all, if we want it to reflect the concern for social progress which should be the hallmark of a Community which exists to protect human beings and their inalienable rights.

**President.** — I call Mr Albers.

**Mr Albers.** — (NL) Mr President, I should express my pleasure at the fact that it has proved possible to extend the scope of the directive. But I have one question to put on this matter. Does this not mean that more time will now be wasted and is there not a danger that the objections raised by Lord Reay will receive greater emphasis in the Council, thus making adoption by the Council even more difficult? I urged that this directive should be implemented as quickly as possible in its present form. I think there is a clear majority in favour of this in Parliament. Would it not be better to have a supplementary directive on social conditions? If Commissioner Vredeling thinks that it is possible in a comparatively short space of time to combine these two requirements, I have no objection to make. But if it should turn out that much time is again wasted I should find that particularly objectionable since the situation I described requires urgent action. That is the only objection I have to make.

**President.** — I call Lord Reay.

**Lord Reay.** — Mr President, I would like to correct the Commissioner on one point. I am very grateful to him for having spent so much of his time in taking up points which I introduced, and I certainly hope that what he said will be fully taken into account by the government of my country. Incidentally, I certainly did not mean to imply that nothing needed to be done in the United Kingdom; I was only questioning whether this was the right method to correct anything that might need to be done. The error I think he made — this is not aimed at the directive as such, but he did raise the matter himself — was to say that the Council resolution was adopted during the period when the British held the presidency of the Council, but in fact it was adopted a year before the British held the presidency of the Council. Therefore, that particular change cannot be made.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (NL) To reply briefly to Mr Albers, I have of course no way of knowing whether the amended proposal will require lengthy consideration by the Council. All I would say is that my comment was prompted largely by the reaction of Parliament, which states in its resolution: 'Consequently strongly deplores and finds it unacceptable...'. Those are harsh words. Moreover, this matter is one of particular concern to me personally. We should be more concerned about thoroughness than speed. In any case, the amendment to the Commission proposal will not take long. That I can promise you.

In reply to Lord Reay, there has clearly been an error in the interpreting. I did not say that the British Presidency was responsible for the resolution. I merely pointed out in passing that the United Kingdom was represented when the resolution was adopted. I did not say any more than that.

**President.** — I declare the debate closed.

✓ 16. *Oral question with debate: EEC-Yugoslavia trade relations*

**President.** — The next item is the oral question, with debate, by Mr Bettiza, Mr Cifarelli, Mr Damseaux, Mr De Clercq, Mr Geurtsen, Mr Zywiets and Mr Bangemann to the Commission of the European Communities (Doc. 370/77):

Subject: Economic relations between the EEC and Yugoslavia in the light of the future cooperation agreement

Following the visit to Belgrade by Vice-President Haferkamp, can the Commission state what measures it proposes to correct the imbalance of trade between the EEC and Yugoslavia?

What action does the Community propose to take on the Joint Declaration of 2 December 1976, in view of the fact that the trade agreement expires shortly and given the need to place close, long-term economic cooperation with that country on a firmer footing?

I call Mr Bettiza.

**Mr Bettizza.** — (I) Mr President and colleagues, unfortunately Mr Haferkamp, Commission member for external affairs of the Community, is not present at this debate which, in my view, is by no means an unimportant one. I regret his absence for two reasons. In the first place, it is contrary to what the President, Mr Jenkins, said on taking up his duties when he assured us that, from then on, Parliament would be treated like a Parliament elected by direct universal suffrage. The second reason is what one could call a technical one: as Mr Haferkamp is a member of the Mixed Commission which deals with Yugoslav-Community affairs and which met only two weeks ago in Belgrade, I think he ought to have attended this debate.

The circumstances which form the background to our discussions are of the greatest importance and of recent date. They consist of three events: the first in the arrival in Rome, today, of the Yugoslav Foreign Minister, Mr Minic, who is Vice-President of the Yugoslav Council and an important member of the League of Yugoslav Communists. The talks between Minic and the Italian Minister for Foreign Affairs, Forlani, are of particular significance because they represent the first official contact at top level since the signature of the Treaties of Osimo, which brought to an end a long and painful period in the relations between two major Adriatic countries. The other event is the release, which took place only in the last few days, of 50 million dollars by the European Investment Bank as a loan to Yugoslavia. Strictly speaking, the release for the moment covers only half that figure but it is to be hoped that the remaining 25 million dollars will be made available as soon as possible. The third event, and the one which interests us most, is the meeting of the Mixed Community Yugoslav Commission which ended in Belgrade on 27 October and which lends even greater immediacy to the whole question of the relations between the Socialist Federal Republic of Yugoslavia and the European Communities.

I am convinced that the proceedings of the Mixed Commission at Belgrade, which took place at top Ministerial level between Wilhelm Haferkamp, our Commissioner responsible for External Affairs, and Janko Smole, a member of the Yugoslav Federal Executive Council, has finally cleared the ground for negotiations between the Communities and Yugoslavia for a new economic agreement to supersede and, I hope, to widen the present one, which expires on 30 September 1978.

**Bettiza**

This is the second time since April 1977, when I first submitted an oral question, that, on behalf of my group, I have tried by means of debate to arouse the interest of all parties represented in Parliament and the spokesmen of the Commission in a question with which I regard as being of the utmost importance and urgency, which is the definition of the kind of relationship we want to establish with Yugoslavia, a country which is the gateway between West and East, the European and Mohammedan Mediterranean and which was the first Eastern European Socialist State to recognize the Community as a self-contained, energetic organization and to conclude an agreement with it. Because of this, I believe Parliament must not only give its approval to the work being done by the Community's representative on the Mixed Commission but must also urge him, in conjunction with his Yugoslav colleague, to expedite negotiations which are intended to give us a new and, I hope, better agreement towards the end of next year.

As my colleague, Mr Adams, of the Socialist Group, said during the debate on Yugoslavia initiated by our group last April, if Europe is not to become a thorn in the flesh of Europe it must, with due circumspection, open its doors to European non-Member States. The liberal and dynamic principles on which the economic and political association of the Nine is based themselves prevent the EEC from erecting barriers against non-Member States or groups of states which are too rigid and based on out-of-date protectionism. A Monroe doctrine for the Europe of the Nine is, in my view, inconceivable; for us it would merely mean an unbearable hothouse and, in the long run, political suicide. It is the initiative, flexibility in external relationships, mobility and ability to sense and foresee the development of new situations in Europe and the world that I see as contributing to the prestige, the image and the political authority of the EEC.

The growing improvement in our relations with Yugoslavia, which was embodied in the Joint Declaration of December 1976 in Belgrade, must be reflected in the spirit of the new agreement now being drawn up and, more specifically, in the choice of economic, technical and social fields to which it will apply. By 'social' I mean the million or more Yugoslav workers who live or work within the Community, their very presence among us representing something unique in the whole of the socialist world in the East. By improving the legal, economic and social status of the Yugoslav Gastarbeiter and, possibly, making this a prominent feature of the new 1978 agreement, we shall at the same time be recognizing that behind socialist workers' control in Yugoslavia there is a spirit of tolerance which, in contrast to the situation in the countries reduced to a common level of fealty to the Comecon, grants a worker the right to a passport and to leave the country with a return ticket.

I can only express our satisfaction with the constructive tone of the joint statement which Messrs Haferkamp and Smole issued on the conclusion of their talks in the Mixed Commission. However, it is now up to the Commission to convert fine words into deeds. We cannot confine our relationship with Yugoslavia, which is half a developed and half a developing country, purely and simply to economic aid. If, on the welcome loan of 25 million dollars already granted to Yugoslavia by the EIB (the first instalment of the 50 million allocated to Belgrade), we do not build a larger and more substantial edifice, based on a comprehensive political concept of the Yugoslav question, we shall have done no more than supply financial aid which the Yugoslavia are not really interested in as such, or the Community in granting. It would amount in the case of both parties to the waste of a loan, a waste in political if not economic terms.

The loans are fine but the real issue is a different one. The problem is to look closely at the structure of our trade relations with Belgrade, in terms of industry as well as of agriculture. We should begin by looking into the anomalous elements in the interchange between Brussels and Belgrade. It is true that Yugoslav imports from the Community have more than trebled and that Yugoslav exports to the Community have roughly doubled. But it is also true that in this constant development of mutual trading between the two parties which is, generally speaking, healthy, there has also been a steady increase in Belgrade's balance of payments vis-à-vis the Community. As Mr Martinelli of the Christian Democratic Group informed us, statistics for 1975 show that about two-thirds, or to be precise, 62 % of Yugoslav's overall adverse balance of trade consisted of trade with the Community area. The imbalance has recently got worse, at Yugoslavia's expense. During the first nine months of this year, its adverse balance of trade with the EEC rose to 1 700 000 000 dollars and the figure for the whole of 1977 seems likely to reach 2 500 000 000 dollars.

It is therefore of greater importance than ever to show our willingness to co-operate. How? In my view, by enabling Yugoslavia to develop and, above all, to diversify the pattern of its sales to the Community area. In my opinion, we should concentrate on the trading aspect rather than on the general preferences scheme which, as far as Yugoslavia is concerned, leaves room for improvement; that is to say, we should concentrate on creating conditions which ensure not only that trade is regular and assured but also that marketing is distributed on a broader and fairer basis. The question of the distribution of market outlets is a hard economic reality but it also has psychological importance. And Yugoslavia, very rightly, has no wish to be treated, in the case of her well-developed industries in Slovenia and in Croatia, as another country in the third world supplying only raw materials and receiving some finished products in return. No, Yugoslavia, which has developed remarkable industrial

**Bettiza**

resources in the north of its territory, rightly expects recognition, in terms of sales outlets and in fairness therefore, in terms of production, of the place she has deservedly won for herself in the last 20 or 25 years. After all, it is in the Community's interest for this trade, which also represents a safety valve for our own exports, to improve on the basis of greater reciprocity and mutual involvement. The Commission should now give this House a general idea of the memorandum which it is intending to submit at the end of the month to the Council on the question of relations with Yugoslavia.

The other area in which we should be taking action and which has, of course, already been referred to in the Press statement issued at the end of the Smole-Haferkamp meeting, is that of industrial, technological and scientific co-operation. We should like to know a little more on this subject and to hear something about the work and provisional conclusions reached by the sub-committee responsible for carrying out a study in this important field. It has, incidentally, been suggested that Yugoslavia might introduce certain technical Community rules for internal application, so as facilitate trade, contacts, methods of co-operation and so on. In view of the delicacy and perplexity of the international discussions at Belgrade, I should like to make a suggestion to the Committee, and this is that it should not try to do too much to begin with, that it should proceed with caution, feeling its way forward, and help our opposite number as much as possible to reconcile three vital factors on the basis of which Yugoslavia has to act: its position as a non-aligned Socialist country; the conflicting pressures of a mixed economy which is based on socialist workers' control and market pressures; and the need to establish in the western markets of the EEC an outlet which will guarantee it not only a greater degree of economic self-sufficiency but more firmly established political independence in the context of the two Europes. The period of transition which, in view of President Tito's age, Yugoslavia is about to enter will be one of considerable difficulty, and both the Commission and the Council must keep this in mind as they assemble the various parts for the new 1978 Agreement.

Italy and Yugoslavia recently concluded the Treaty of Osimo in order to settle the territorial relationships between the two countries, which had remained, from the legal point of view, an open question since the end of the war but I welcome it as a step forward not only for that reason. I also welcome it because, after closing the door on the past, it opens up a future of extremely fruitful and close co-operation between our two adjacent countries. I refer to the proposal for the creation of a free industrial zone astride the region of Friuli-Venezia Giulia and the Slovene Republic, which is the most advanced of the six constituting the Yugoslav Federation. This zone, which links up Yugoslav territory with the territory of a Member State

of the Community, can become a testing ground for a special kind of co-existence. And it is there, on the Carso, in the quadrilateral between Trieste, Gorizia, Fiume and Ljubljana, that the new technical rules of the EEC can be tried out for application, we hope, tomorrow on a wider scale; and it is there that two different but not irreconcilably conflicting economic principles, a managed economy and the open market may give Europe in crisis some ideas worthy of the creativity and imaginativeness of our Continent. And there, finally, it may be possible to put to a practical test the feasibility of the Euro-Yugoslav joint ventures provided for under the agreements and which represent for Belgrade a source of international prestige in non-Community markets and a means of correcting the deficit in its balance of payments with us.

I have not for the moment dealt with other issues, such as fishing and Yugoslav beef and veal exports, which must also be settled. I have preferred to deal with what seems to me to be the crucial point in our relations with Belgrade, which is its development as an industrial and technological partner of the Community.

Our economic dealings with Yugoslavia should not be based solely on self-interest but we should evolve a long-term economic policy and strategic concept which makes allowance for the dividing line between the two Europes and concentrates on ways and means of bridging it on the basis of the only political, social and historical experiment which, everything considered, has been a success, that of Yugoslav socialism.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission** — (NL) Mr President, First a word of apology on behalf of my fellow Commissioner Mr Haferkamp who unfortunately cannot be present today. I must say I am a little regretful that this item should have been placed on this evening's agenda. Mr Haferkamp will be available at the end of the week and he might then have been able to inform Parliament of the decision which the Commission will be taking next Wednesday on the mandate for negotiations with Yugoslavia.

So I think this is a rather unfortunate time to be dealing with this oral question. At the moment therefore I can do no more than point out that the Commission attaches great importance to effective cooperation with Yugoslavia for the purpose of improving the uneven balance in the pattern of trade between the EEC and that country.

As I have just said, the Commission will this week be discussing the proposal for a negotiating mandate to be submitted to the Council. These negotiations concern the conclusion of a new agreement in which cooperation between Yugoslavia and the Community will be extended and intensified. The Commission therefore hopes that an improved two-way flow of

### Vredeling

information and more intensive cooperation in the various areas, at least in the medium term, will lead to the achievement of a better balance in trade relations. The new agreement will contribute to translating into practical reality the Community declaration of 2 December 1976 in which it avowed its resolve to improve these relations.

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

**Mr Zagari.** — (I) My colleague, Mr Bettiza has rightly described this subject as being of capital and urgent importance. It would be no exaggeration to add that it is an important test for the future of the Community itself and it is right, therefore, that it should be discussed in this Parliament even at a time when, unfortunately, not all our representatives are present, which makes the debate less far-reaching than the subject matter undoubtedly deserves.

As we are concerned with an issue of fundamental political importance, we should not be doing it justice if we took account only of its economic implications which are, of course, complicated, difficult and conflicting. This is because it does not involve a trade agreement but a 'package' deal which covers practically everything. The same considerations apply in this case as in the case of the accession of the countries of Southern Europe, Greece, Spain and Portugal. This is an issue on which, in my view, policy is of fundamental importance for the economy and in which the Community tries to devote its energies to the building of a different Europe from the one we have perhaps conceived in the past with, in international terms, a role other than that which perhaps it has had hitherto. It involves the change from a non-preferential trade agreement, which has lasted five years, and which expires at the end of next year, to a new kind of agreement.

Moreover, the Joint Declaration of 1976 already adumbrated an undertaking to use the European Investment Bank for the financing of, I must emphasise, Yugoslav as well as European joint projects designed to strengthen the financial relations between the two parties. That is why the agreement with Yugoslavia must not be regarded as merely a trade agreement or as being intended to resolve the problem of the balance of payments or, again, as designed, in more practical terms, to create more favourable conditions to enable the industrialization of Yugoslavia to come up to a proper European level.

The question must be viewed as a whole. Attention has rightly been drawn to the fact that, in the Member States, there are a million Yugoslav 'Gastarbeiter' who must be given specific conditions, specific social and legal safeguards, and so on.

We hope the Commission will show the requisite degree of imagination. We fully realize that questions like the generalized preference scheme, the annual quotas for cattle, Yugoslav access to the markets of the Community on genuinely preferential terms, the need for a greater measure of prior consultation when the most-favoured-nation clause is involved and the fair trading rules to be applied to any exchange of technology will constitute a heavy responsibility for the Commission because these questions impinge on others, internal and external. I think Mr Bettiza's speech revealed the same concern and that his advice to proceed with caution on such a delicate matter showed that he is well aware of the serious problems which co-operation involves. As European socialists, therefore, we call upon the European Community to seize this opportunity of showing its true character as a political body which is expanding in the world, has something to say and considers itself as bearing special responsibility in an area, the Mediterranean Basin, which is today regarded as one of the 'hottest' and in which action can be effectively taken in terms of security and co-operation only by creating the conditions which are so necessary for it. How can we make use of Yugoslav co-operation without granting her special status? How can we ignore other countries, Rumania for example, another country which gravitates towards the Mediterranean and is therefore closely concerned with the problems of co-operation and security. It is no accident that the conference on the implementation of the principles laid down in the Act of Helsinki is being held in Belgrade or that Belgrade is playing its present role on the world scene. This is why I regard this issue as one which will become a matter of political co-operation and it is as such that, taken as a whole, it should be treated by the European Parliament.

I regard this discussion, therefore, as the beginning of a wide-ranging and extremely important debate. I should like it to be borne in mind that although Italians have been speaking about this question, it is not basically an Italian one. While it is true, as Mr Bettiza, said that, thanks to the Treaty of Osimo, the Italians have at last solved a thorny problem we can also point to the fact that, for years past, we have constantly tried to improve our relations with Yugoslavia.

As Rudy Adams said, the question of relations with Yugoslavia is a European one and from what has been said we all know the reason for it. It is now for the Commission to adopt an imaginative approach to this question in the knowledge that it is supported by a European Parliament which is fully aware of what is at stake.

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

**Mr Martinelli.** — (I) Mr President, I should like to congratulate Mr Bettiza and other speakers for having raised, for the second time in this House, the subject of relations between the Community and Yugoslavia, a feature of which is the serious increase in the adverse balance of trade. Yugoslav exports to the Community and Yugoslav imports from the Community are increasing but, at the present time, Community exports to Yugoslavia are about three times the volume of imports from Yugoslavia into the Community, and Yugoslavia's adverse balance is increasing steadily. Mr Bettiza gave us the latest figures a few minutes ago and there is no need to dwell on them. But what we must bear in mind is that this imbalance is not caused by the importation into Yugoslavia of too many consumer goods but by the pressure of its economy; the imbalance is largely due to the pace at which the country is being industrialized. About 90 % of Yugoslav imports consists of industrial products but this must not be taken to mean that industrial products form only an insignificant proportion of Yugoslavia's exports. On the contrary, 60 % of Yugoslav exports are industrial products, which is not a bad indication of the degree of industrialization which has been achieved. By and large, agricultural products amount to 20 % and, I am sorry to say, they include beef and veal, while the other 20 % consists of basic products covered by the policy which Yugoslavia is now putting into effect of exploiting its national resources, which should provide plenty of room for co-operation. I have run over these figures to bring out something which Mr Bettiza did not go into so fully, and in order to point out that this gives us an opportunity of making the new agreement the kind of agreement which was to some extent foreshadowed in the communiqué of 2 December last year when, in general terms, it said that a new agreement must be more firmly based and wide-ranging but, in more specific terms, declared that development should concentrate on diversification. This is the kind of diversification which will make it possible to advance from the purely commercial stage of mutual trading to the more important one of collaboration. And it must be borne in mind that only recently Yugoslavia has officially announced its wish to preserve the non-preferential character of the agreement. As a preferential agreement is apparently so much more advantageous, this may cause surprise and raise the question why the statement was made. But a preferential agreement is not for negotiation at a time when Yugoslavia, in the spirit of proud independence referred to by both Mr Bettiza and Mr Zagari, wants to be in a position to avoid anything which looks like a policy of aid from outside. So the broadening of the agreement must be looked at in terms of diversification. Diversification of production and the requisite cooperation are the natural outcome of economic progress. The pattern and cost of production are constantly changing and trade becomes more varied in the process. This continual change calls for information to be exchanged and the only way in which this can be

done is to co-operate at the technical level. This is why, like Mr Bettiza, I too want to emphasize that the first *tranche* of the financial agreement has at last been granted for a Euro-Yugoslav project of 25 million units of account for the construction of an electricity distribution network. We are in a field where techniques are always being modernized so (as my allotted time is nearly over) I also conclude by saying that we are dealing with an agreement the main reason for which was economic interest but which, in its application, has progressed beyond the stage of an economy of trade to the stage of an economy of collaboration. All this has enormous political value. As has been said, Yugoslavia has to some extent a developed economy and to some extent still has some way to travel along the road towards economic development. Because of its composition, it has to reflect the demands of various nations within the one state. There is a danger that, when something happens which is inevitable in human affairs, this principle of unity amidst diversity may be undermined, or even destroyed, and this must impel the Community to co-operate more closely with Yugoslavia. It is absolutely vital to ensure that this group of peoples continues to co-operate with the Community, and the most practical way of doing so is through the economy. We look forward to the reports which the Commission has promised us on the negotiations with Yugoslavia and we hope we shall get them soon. Meanwhile, on behalf of the Christian Democratic Group I must express its confidence in the Commission and ask it to act along the lines indicated.

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

**Mr de Clercq.** — (NL) I am obliged to my colleague, Mr Bettiza, for raising the problem of Yugoslavia and thus drawing it to the attention of Parliament. I am also sorry that Mr Haferkamp, the Commissioner responsible for this matter, is not here today, for he is in a better position to inform us on the progress of negotiations and on his recent contacts in Yugoslavia with Mr Smole, the Yugoslavian government official currently responsible.

I fully support the political line taken in Mr Bettiza's argument. His initiative has the merit of focussing Parliament's attention on this very important matter. He has clearly shown what is involved and what is at stake.

I should like the Community to stop living from day to day and to attach more importance to the political content of this problem. The Community must not give the impression of being a rich man's club. It should shoulder its political responsibilities and I should like to mention, in this connection, the problem of the Mediterranean area. It grieves me to hear utterances whose sole purpose is to postpone



de Clercq

indefinitely the accession of first Greece then Spain and Portugal. Mention is always made of the economic problems, which are genuine, and the question that is always raised is how much this will cost the Community. Such an approach arouses my ire and I can only call it historical short-sightedness. We must not forget that the ultimate objective of the European Community, as is clearly brought out in the Tindemans Report, is a political one. The price we must pay to preserve democracy can never be too high. Indeed, if we do not pay that price, the time may come when we would willingly do so, should our democracies relapse into a new dictatorship.

The same comment applies, *mutatis mutandis*, to Yugoslavia. Mr Bettiza pointed out that Yugoslavia had a heavy balance of payments deficit. He claims that this is due to the fact that we are unable to open our frontiers to a major proportion of their products. It is of the utmost importance that we should hold serious negotiations with Yugoslavia because if it decides to turn its back on the West and trade exclusively with Comecon we shall lose an important market and trading partner. We are all aware of the prestige which this country enjoys in the third world and also in the Communist countries on account of the attitudes it has adopted over the past thirty years.

What is required here is organized cooperation. In other words cooperation which will be in the interests of both parties and will promote good relations between Yugoslavia and Europe. The European Community is extending its influence all over the world and this is particularly important for our own prestige. The image of the Community is constantly improving thanks to our association with the African, Caribbean and Pacific countries. All the more reason to adopt an outward-looking policy toward a country which borders on our Community.

I don't want to digress further on the conditions which a series of cooperation agreements of this kind should include. Other colleagues have preceded me on this. I should just like to remind them that what is involved here is a political problem, and one whose consequences we should carefully consider. I think political considerations must take precedence over the economic arguments.

**President.** — I call Mr Sandri.

**Mr Sandri.** — (I) Mr President, I welcome the timely and opportune action taken by Mr Bettiza on behalf of the Liberal Group to enable the European Parliament to discuss a subject of such importance and whose implications are so great. The non-preferential agreement expires on 30 September 1978. As we look at its provisions, or rather its application, we can fairly say that relations are good enough to get even better. In what way? I would say in the way speakers have already indicated, that is to say, through an agreement

for joint working and comprehensive co-operation, worked out in stages. I think Mr Martinelli is quite right in saying that the adverse balance of trade, the deficit, is different from the trade deficit which other countries have vis-à-vis the Community. This deficit is a sign of the drive of Yugoslavia's economy and we must not forget that, already, a proportion of Yugoslav exports to the European Community is industrial. But we have to recognize that the reasons for the deficit relate to the structural imbalance which exists between the two economies and the fact that Yugoslavia's economy is still in course of development. Nor must we forget that the European Community took action in the form of the system of generalized preferences and that, among the countries entitled to these preferences, Yugoslavia benefits most from them. And this is enough in itself to show the need for the relationship with Yugoslavia to be developed in the strictly economic field because, in terms of trade relations, there is a limit to the use we can make of the system of generalized preferences and it is an indication of the way in which the relationship between the two parties must change:

I should like to make another point. We believe that the foundation-stone of the next co-operation agreement must be industrial co-operation. Bearing in mind the structure of Yugoslavia's economy we believe that a relationship of co-operation in the industrial field, enabling the economy to be diversified, will give Yugoslav products sufficient access to our markets and in this way restore the balance of trade. But over and above these considerations we want to emphasize that, for the European Community, an efficient and comprehensive co-operation agreement, which Mr Zagari described as a 'mosaic', means fitting in or rather perfecting its Mediterranean policy commensurate with the extent to which the agreement benefits the economy of the European Community and confirms its identity. There is also the question, to which I must refer, of the political implications of a comprehensive co-operation agreement for the Federal Socialist Republic of Yugoslavia. As far as the Community is concerned, quite apart from the contribution which may enure to its economy and to the development of its European rôle in the Mediterranean basin, I feel I must refer to the political reasons why we fully support the action taken by the Commission.

Without dwelling on the role which Yugoslavia's policy of non-alignment has played in the world, which can be left to future historians, we can already get some idea of the extent to which, apart from the prestige which it has won for the Federal Socialist Republic of Yugoslavia in the Third World, that policy satisfies Europe's special need for balance, the need to bridge its present division into the *blocs* described by Mr Bettiza and, finally, the need for peace.



Sandri

These are the reasons why we warmly welcome the advance from a non-preferential trade agreement to an agreement for comprehensive co-operation. Naturally we hope our Yugoslav friends will show understanding as Europe goes through its present difficult phase but we declare our firm political determination to support and encourage the Commission in the tasks it must undertake.

In conclusion, Mr President, I should like to refer to a specific point but one which is certainly not a mere detail. In our view, the Commission must submit its proposals for the fishing agreement without delay to ensure that, before concluding negotiations, the Council can take full account of Yugoslavia's interests without having to postpone the question until the conclusion of a comprehensive agreement for cooperation, based on industrial cooperation, to which we give and shall continue to give full approval and support.

**President.** — I call Mr Noè.

**Mr Noè.** — (*I*) Mr President, at this late hour I shall do no more than add a personal comment and make a suggestion to the Commission. When I read Mr Bettiza's oral question today and became aware of the intention to replace the existing trade agreement by a wider-ranging agreement for co-operation, I was reminded of the pictures in the film on the Friuli earthquake, where we saw the arrival, among the first to be received, of aid from the people of Yugoslavia. And that reminded me in turn of the aid sent equally promptly by the Community when the same people suffered a similar tragedy. The spontaneous feelings which produced prompt aid on those occasions are encouraging and with these proposals, which cover longer periods and much broader questions, we are pursuing the same aim, which is to produce closer unity between nations and, in so doing, serve peace and the advancement of mankind. I have made these comments in order to convey my group's support for the welcome extended by Mr Martinelli to Mr Bettiza's proposals.

I offer the following suggestion to the Commission. The fishing question which, in company with Mr Müller-Hermann, I spoke about to the Christian Democratic Group this afternoon, ought not to be treated as a merely bilateral issue between Italy and Yugoslavia, as happens in the case of so many seas. And we must bear in mind that, apart from the land frontier between my own country and Yugoslavia, the Adriatic is the only transit area between the Community and Yugoslavia. The Adriatic Sea is a very special sea: it is an almost closed sea which forms part of a sea which is itself almost completely surrounded by land, since traffic which comes past Gibraltar is limited.

The problems of the Adriatic are special ones and I say this because, three years ago, I attended a meeting of Italian and Yugoslav Members of Parliament on the subject. There are pollution problems and there are hydro-dynamic problems, such as the floods in Venice resulting from tides, the motion of the waves and gales, and they call for highly sophisticated research to which the Community could make an invaluable contribution through the Grenoble laboratory, for example, which has studied similar hydrodynamic problems in the English Channel. This will benefit relations between the men on both sides of the Adriatic and will make it easier to solve the problems to which honourable Members have referred. During the trade negotiations, we should not lose sight of what can be described as the problem of advanced technology or of the fact that it can be solved in a way which contributes to closer fellowship between the nations.

**President.** — I declare the debate closed.

#### 17. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Tuesday, 15 November 1977, with the following agenda:

9 a.m. and in the afternoon:

- vote on the urgency of two motions for resolutions;
- joint debate on a statement by the Foreign Ministers and an oral question to the Foreign Ministers on apartheid
- Fletcher-Cooke report on terrorism in the Community
- oral question with debate to the Council on the date of direct elections to Parliament
- Scelba report on special rights for Community citizens
- joint debate on two oral questions on imports flooding the Community markets
- oral question with debate to the Council on fisheries policy
- oral question with debate to the Council on aid to non-associated developing countries

3 p.m.:

- Question Time
- 3 p.m. — 4 p.m.: questions to the Council
- 4 p.m. — 4.30 p.m.: questions to the Foreign Ministers

4.30 p.m.

- vote on the motions for resolutions on which the debate has closed
- presentation and discussion of amending budget No 2 for 1977 and the Bruce report relating thereto.

*(The sitting was closed at 9.45 p.m.)*

## ANNEX

*Statement by the Commission on the action it has taken on various opinions delivered by the European Parliament*

1. At its October part-session, the Assembly delivered 25 opinions on Commission proposals, 20 of which were favourable. The relevant proposals are now before the Council which, we hope, will take a rapid decision on all of them.

2. In 5 cases Parliament either proposed amendments to our texts or requested that the Commission withdraw its proposals. I am able to inform you that we have taken account of your suggestions.

3. We have withdrawn the proposal for a directive on *articles of precious metals* which was the subject of a report by Mr Nyborg; and the Commission will take a decision in the next few days on whether to withdraw its proposal regarding *research programmes in the field of animal leucoses*, as recommended in the report drawn up by Mr Ney.

4. The Commission has also submitted to the Council modified proposals which take account of the amendments adopted by Parliament on the basis of the

— report by Mr Osborn on a *regulation laying down uniform costing principles for railway undertakings*,

— report by Mr Noé concerning *guidelines for regional policy*,

— report by Mr Notenboom on three proposals relating to *own resources*.

The texts of these modified proposals have either already been sent to you or will be sent to you in the next few days so that Parliament will be able to see at first hand the extent to which its opinions have been taken into consideration.

5. The Assembly also adopted at its last part-session a resolution on Community aid for the *areas of north-west Italy affected by the recent floods*.

The Commission has decided to place at the disposal of the Italian Government a sum of 1 million units of account as aid for the disaster areas, and has also instructed the appropriate Commission departments to undertake climatic studies with a view to examining all possible ways of avoiding similar disasters in the future.

6. Modifications to our proposals were also recommended by Parliament on the basis of reports adopted at earlier part-sessions.

Proposed modifications have been submitted to the Council which take account of the amendments adopted by Parliament on the basis of the

— report by Mr Cousté on the *four-year programme for the development of informatics* and the

— report by Mr Osborn on *Community aid for financing cyclical stocks of hard coal, coke and patent fuel*.

The texts of these modified proposals have either already been sent to you or will be sent to you in the next few days, so that Parliament will be able to see at first hand the extent to which its opinions have been taken into consideration.

7. Two modified proposals, the adoption of which has been delayed owing to the complexity of the subject matter or to technical problems, e.g. translation difficulties, will be forwarded to you shortly.

The proposals in question relate to

— a *European Cooperation Grouping*, which was the subject of a report by Mr Lautenschlager, and

— *the protection of the consumer in respect of contracts which have been negotiated away from business premises*, which was the subject of a report by Mr Spicer.

## SITTING OF TUESDAY, 15 NOVEMBER 1977

## Contents

1. Approval of minutes . . . . .	39	Question No 33 by Mr Normanton (see Annex)	
2. Documents received . . . . .	39	Question No 34 by Lord Bessborough: Community's relations with China:	
3. Petitions . . . . .	39	Mr Simonet; Lord Bessborough; Mr Simonet . . . . .	64
4. Decision on the urgency of two motions for resolutions (Doc. 385/77 and Doc. 386/77): Mr Klepsch; Mr Fellermaier; Mr Sandri; Mr Bertrand; Mr Fellermaier; Mr Klepsch; Mr Fellermaier . . . . .	39	Question No 35 by Mr Price: Short-term arrangements for the export of agricultural products: Mr Simonet; Lord Brimelow; Mr Simonet; Mr Corrie; Mr Simonet . . . . .	64
5. Joint debate: Statement by the President-in-Office of the Foreign Ministers meeting in political cooperation and oral question on apartheid (Doc. 371/77): Mr Simonet, President-in-Office of the Foreign Ministers; Mr Fellermaier, author of the question; Mr Simonet; Mr Bertrand, on behalf of the Christian-Democratic Group; Mr Berkhouwer, on behalf of the Liberal and Democratic Group; Mr Broeksz, on behalf of the Socialist Group; Mr Fellermaier; Mr Broeksz; Lord Reay, on behalf of the European Conservative Group; Mr Jensen; Mr Klepsch, on behalf of the Christian-Democratic Group; Mrs Iotti; Mr Glinne, on behalf of the Socialist Group; Mr Simonet . . . . .	41	Question No 36 by Mr Terrenoire (see Annex) Question No 37 by Mr Hoffmann (see Annex) Question No 38 by Sir Geoffrey de Freitas (postponed) Question No 39 by Mr Caillavet: Delay in decisions on EEC loans: Mr Simonet; Mr Pintat; Mr Simonet; Mr Prescott; Mr Simonet; Mrs Dunwoody; Mr Simonet . . . . .	65
6. Question Time (Doc. 374/77) Questions to the Council of the European Communities: Question No 30 by Mr Cousté: Financing of wide inland waterways in Europe: Mr Simonet, President-in-Office of the Council; Mr Cousté . . . . .	63	Question No 40 by Mr Dalyell (postponed) Question No 41 by Mr Osborn (see Annex) Question No 42 by Mr Nyborg: Harmful competition from third countries as a result of state aid to industrial undertakings Question No 43 by Mr Edwards (postponed) Questions to the Foreign Ministers meeting in political cooperation: Question No 44 by Mr Fletcher-Cooke: Consular facilities for the Nine at Chieng-Mai: Mr Simonet; Mr Fletcher-Cooke; Mr Simonet . . . . .	66
Question No 31 by Mr Hamilton: Gibraltarians and the EEC: Mr Simonet; Mrs Dunwoody . . . . .	63	Question No 45 by Mrs Ewing (see Annex)	
Question No 32 by Mrs Ewing (see Annex)			

- Points of order: Mr Yeats; Mr Prescott; Mr Broeksx; Mr Simonet; Mr Osborn; Mr Delmotte; Mr Radoux* . . . . . 66
7. *Terrorism in the Community — Report drawn up by Mr Fletcher-Cooke on behalf of the Political Affairs Committee (Doc. 372/77):*  
*Mr Fletcher-Cooke, rapporteur; Mr Holst, on behalf of the Socialist Group; Mr Vernaschi, on behalf of the Christian-Democratic Group; Mr Berkhouwer, on behalf of the liberal and Democratic Group* . . . . . 67
8. *Directive on equal treatment for men and women in matters of social security — Report by Mrs Cassanmagnano Cerretti (Doc. 355/77) — (vote)*  
*Amendment to paragraph 12: Mr van der Gun* . . . . . 73  
*Adoption of the resolution* . . . . . 73
9. *Directive on illegal migration and employment — Report by Mr Pisoni (Doc. 352/77) — (vote)*  
*Amendment to the proposal for a directive:*  
*Point of order: Mr Dunwoody* . . . . . 74  
*Mr Pisoni* . . . . . 74  
*Adoption of the resolution* . . . . . 74
10. *Draft amending budget No 2 for 1977 — Report drawn up by Lord Bruce of Donington on behalf of the Committee on Budgets (Doc. 387/77):*  
*Lord Bruce of Donington, rapporteur; Mr Notenboom, on behalf of the Christian-Democratic Group; Mr Tugendhat, Member of the Commission; Mr Simonet, President-in-Office of the Council; Lord Bruce of Donington* . . . . . 74
11. *Agenda*  
*Point of order: Mr Cointat* . . . . . 78
12. *Terrorism in the Community (resumption):*  
*Mr Nyborg, on behalf of the Group of European Progressive Democrats; Mr Sandri, on behalf of the Communist and Allies Group; Mr Blumenfeld; Mr Lagorce, on behalf of the Socialist Group; Mr Seefeld; Mr Kunz; Mr Holst, on behalf of the Socialist Group; Mr Davignon, Member of the Commission; Mr Fletcher-Cooke; Mr Blumenfeld; Mr Simonet, President-in-Office of the Council*
13. *Agenda*  
*Mr Vandewiele; Mr Spenale; Mr Simonet, President-in-Office of the Council* . . . . . 87
14. *Date of direct elections to the European Parliament — Joint debate on an oral question and a motion for a resolution (Doc. 294/77 and Doc. 387/77):*  
*Mr Berkhouwer, author of the question; Mr Simonet, President-in-Office of the Council; Mr Berkhouwer; Mr Bertrand; Mr Berkhouwer; Mr Simonet; Mr Berkhouwer; Mr Simonet; Mr Davignon, Member of the Commission; Mr Spenale, on behalf of the Socialist Group; Mr Klepsch, on behalf of the Christian-Democratic Group; Mr Durieux, on behalf of the Liberal and Democratic Group; Mr Cousté, on behalf of the Group of European Progressive Democrats; Mr Spicer, on behalf of the European Conservative Group; Mr Jensen; Mr Jahn; Mr Patijn, on behalf of the Socialist Group; Mr Bersani; Mr Simonet* . . . . . 88
15. *Agenda*  
*Mr Scelba* . . . . . 98
16. *Oral question with debate: Aid to non-associated developing countries (Doc. 366/77):*  
*Miss Flesch, author of the question; Mr Simonet, President-in-Office of the Council; Mr Tugendhat, Member of the Commission; Miss Flesch* . . . . . 99
17. *Agenda*  
*Point of order: Mr Vernaschi; Mr Brugger* . . . . . 101
18. *Agenda for next sitting* . . . . . 102  
*Annex* . . . . . 103

## IN THE CHAIR: MR COLOMBO

*President*

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

**President.** — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

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

- a report, drawn up by Lord Bruce on behalf of the Committee on Budgets, on draft amending budget No 2 of the European Communities for the 1977 financial year (Doc. 387/77);
- a report, drawn up by Lord Bruce on behalf of the Committee on Budgets, on the request for the unfreezing of appropriations entered in Article 930, Section III 'Commission' of the general budget for 1977. (Doc. 388/77).

3. *Petitions*

**President.** — At its meeting of 27 October 1977, the Committee on the Rules of Procedure and Petitions considered various petitions and, pursuant to Rule 48 (4) decided to file petitions Nos 7/77, 13/77 and 14/77 without further action.

4. *Decision on urgency*

**President.** — I now consult Parliament on the adoption of urgent procedure for the motion for a resolution, tabled by Mr Fellermaier on behalf of the Socialist Group, on the actions of the South African Government against opponents of 'apartheid' (Doc. No 385/77).

I call Mr Klepsch.

**Mr Klepsch.** — (D) Since the Johnston report and the Schuijt report, both on the same subject, are being dealt with in the Political Affairs Committee and the Committee on Development and Cooperation respectively, my group thinks it would be sensible to discuss this question in conjunction with these reports. We are also of the opinion that the different views on this matter could be put forward in the context of the joint debate which was decided on yesterday. If the Socialist Group has a motion for resolution, we should consider it right and proper for it to be forwarded

according to the normal procedure to the Political Affairs Committee so that account can be taken of it in the Johnston report. Furthermore, in view of the forthcoming conference of the Joint Committee of the ACP-EEC Consultative Assembly in Lesotho, on which the Parliament delegation is holding a discussion this week, we see no point in prejudging the matter. For this reason my group does not consider that this is a case for urgent procedure.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr President, a delegation from the European Parliament meeting this week to prepare for the meeting of the Joint Committee of the ACP-EEC Consultative Assembly can be no substitute for a clear declaration by this Parliament before the European public in the form of a motion for a resolution expressing our dismay at the measures adopted by the South African Government, which constitute a flagrant disregard for human rights. This racist policy has also been unreservedly condemned both by the Conference of the Foreign Ministers of the European Community and the United Nations General Assembly.

If this Parliament does not make a declaration on this matter before the decisive ACP-EEC meeting in Lesotho, we, the democratic Socialists of Europe, consider that we are not performing the task which a parliament of this kind should perform, mainly proclaiming to the public before Johannesburg and before Lesotho our condemnation of the South African Government's brutal action.

I am sure that, when he arrives later, the President of the Foreign Ministers' Conference, the Belgian Foreign Minister, Mr Simonet, will put forward his views — on the basis of the Socialist Group's question — on the events in the Republic of South Africa in his report on European political cooperation. But the Christian-Democratic Group wants to make sure that this Parliament does not express its will through a motion for a resolution.

The Political Affairs Committee and the Committee on Development and Cooperation are dealing with reports about southern Africa. Our concern is that this House should adopt the motion for a resolution condemning oppression of the black majority in the Republic of South Africa, and I therefore ask Parliament to agree to the adoption of urgent procedure.

**President.** — I call Mr Sandri.

**Mr Sandri.** — (I) We think that, as a general principle, Mr Klepsch is right in deploring the tendency to give proposals for urgent procedure precedence over reports which are being debated or drawn up and which are about to be submitted to Parliament. However, in this particular case, the proposal put forward by Mr Fellermaier on behalf of the Socialist

**Sandri**

Group seems to us too important for us to adhere strictly to this principle. Indeed, we are about to go to Lesotho to attend a meeting with our African colleagues, and it seems to us extremely important that the European Parliament should support the delegation which is to go there; we cannot attend this meeting simply with the results of an internal meeting which we shall be holding tomorrow in the Committee on Development and Cooperation; it will make a very great difference to the seriousness and thus the weight of the European delegation's attitude if it is supported by the vote, debate and commitment of this Parliament.

Therefore, Mr President, while reaffirming in principle our agreement with what Mr Klepsch has just said, we shall, in view of the circumstances, vote in favour of the Socialist Group's request.

**President.** — I call Mr Bertrand.

**Mr Bertrand.** — (NL) Mr President, we must try to find a compromise to achieve unanimous agreement. Would it not be preferable to wait until the President-in-Office of the Council of Foreign Ministers had made his statement on political cooperation? After Mr Simonet's statement we can hold a debate in which all views can be heard. Then Mr Fellermaier will be in a better position to judge the suitability of requesting urgent procedure. I think that this would be better than dealing immediately with the motion for a resolution by urgent procedure without a debate on the very questions which will allow everyone to express an opinion. Then we can see whether there is still any point in maintaining the motion for a resolution.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr President, I thank the chairman of the Political Affairs Committee for proposing this compromise. Then we can take the final decision this afternoon.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) There is still one question to be settled, namely whether it is being proposed to apply the procedure provided for in Rule 47 of the Rules of Procedure or to postpone the vote on urgent procedure. The latter is, in my view, impossible under the Rules of Procedure. If, on the other hand, the request for urgent procedure is withdrawn, we can discuss the procedure provided for in Rule 47, as proposed by Mr Bertrand.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) In these circumstances, the Socialist Group does not feel able to withdraw its motion for a resolution. We therefore request that a vote be taken.

**President.** — I put to the vote Mr Fellermaier's request for procedure.

The request for urgent procedure is rejected.

The motion for a resolution is referred to the Political Affairs Committee as the committee responsible and to the Committee on Development and Cooperation for its opinion.

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution, tabled by Mr Berkhouwer on behalf of the Liberal and Democratic Group, Mr Fellermaier on behalf of the Socialist Group, Mr Klepsch on behalf of the Christian-Democratic Group and Mr de la Malene on behalf of the Group of European Progressive Democrats, on the fixing of the date of elections to the European Parliament by direct universal suffrage (Doc. 386/77).

The adoption of urgent procedure is agreed.

I propose to the House that this motion for a resolution be placed on today's agenda and considered jointly with Mr Berkhouwer's oral question dealing with the same subject.

Since there are no objections, that is agreed.

✓ *5. Statement by the President-in-Office of the Foreign Ministers meeting in political cooperation — 'Apartheid'*

**President.** — The next item is the joint debate on the statement by the President-in-Office of the Foreign Ministers meeting in political cooperation and on the oral question with debate, put by Mr Fellermaier on behalf of the Socialist Group to the Foreign Ministers, on the actions of the South African Government against opponents of 'apartheid' (Doc. 371/77).

Subject: Action of South African Government against opponents of 'apartheid'

1. What measures have been taken by the individual Member States and the Conference of Foreign Ministers to protest against the recent actions of the South African Government in restricting the rights of opponents to 'apartheid'?
2. What further political and economical measures will the Conference of Foreign Ministers propose in the future to ensure the rights of all citizens in South Africa on the lines of the code of conduct already adopted?
3. What measures will be taken to strengthen this code of conduct in the light of the recent violations of human rights in South Africa and what measures will be taken to ensure adherence to this code of conduct?

I have been informed that there will be a slight delay in the arrival of the President-in-Office of the Foreign Ministers, Mr Simonet.

The proceedings will therefore be suspended for a short time.

**President**

The House will rise.

*(The sitting was suspended at 9.30 a.m. and resumed at 10 a.m.)*

**President.** — The sitting is resumed. I call Mr Simonet.

**Mr Simonet, President-in-Office of the Council of Foreign Ministers.** — (F) Mr President, ladies and gentlemen, in their annual reports to the European Parliament on Community cooperation in the sphere of foreign policy, my predecessors have emphasized the progress achieved by referring both to the number of major topics which have been tackled and to the increasing thoroughness of this cooperation. I feel it is fair to say that this progress has been maintained in the past year. However, this opening statement should not encourage the governments of the Nine to pat themselves on the back. It is, instead, the starting point from which I am going to consider the development of political cooperation in general. Before I do so, I want to mention the areas with which the Community has been particularly concerned since Mr Van Der Stoel spoke to you here in November last year.

Belgrade is currently hosting the follow-up meeting to the Helsinki Conference. The Nine cooperated particularly closely at Helsinki and at Geneva for the Conference, and this spirit was again manifest before and during the meeting in Belgrade. All the problems encountered, whether relating to procedure or substance, have been tackled with the constant desire to achieve as thorough and balanced an assessment as possible of how the Final Act has been implemented. With this in mind, the Nine have coordinated their approach in such a way as to ensure that each of the major items in the Final Act will be raised at the Belgrade meeting, and they have considered making a number of proposals in order to improve the implementation of the Act. It was this same desire which has led them, ever since the preparatory stages last June and July, to insist on a procedural system will ensure a searching review of what has been achieved in each of the Final Act's three baskets. They have also made sure that the Community as a body is properly represented whenever appropriate during the meeting. The Community delegations in Belgrade are working together constantly, and from the preparatory stage onwards they have been in frequent contact with many other states which signed the Final Act in Helsinki, especially the NATO countries and the neutral and non-aligned nations.

Futile bickering or a series of accusations is not what we want; what we want is genuine and thorough deliberation by every country which signed the Act so that we can move towards real *détente*. The immense importance which the Member States have attached to the observance of human rights has to be seen in this context.

Belgrade must be a significant stage along the road to achieving the aims of the Final Act. The Nine will do their utmost to ensure the success of the Conference.

There is another international forum where the Nine have made their presence felt this autumn: the 32nd General Assembly of the United Nations. The close cooperation of our countries at the United Nations is an established tradition. It is usually expressed by joint voting or by stating a common position. It is also expressed by the speech given on behalf of the Nine by the President-in-Office of the Council during the general debate. This cooperation is ensured by frequent meetings at every level, both in the normal context of political cooperation and also among the permanent representatives of the Member States at the United Nations. Their political cooperation this year has benefited from experience gained during the 31st General Assembly. Preparations for the current session were made together. The problems of disarmament were considered, special attention being paid to those items on the agenda which might strain Community solidarity. It is still too early to assess the overall achievements of the 32nd General Assembly, but let me say that the results so far have been encouraging.

Community cooperation in New York and in Belgrade does not mean that the Member States have been inactive individually. On the contrary, I think they are realizing more and more that it is often easier to find solutions to their problems if these are made the subject of political cooperation right from the start. This results in a certain way of going about things which means that the UN now regards the Community not as a monolithic bloc — which in any case we should not want it to be — but as a body with something to say.

Since my predecessor's report to the House, Africa — especially southern Africa — has had an increasing share of our attention in the field of political cooperation. If we look at Rhodesia first, the Nine have consistently — at the Maputo Conference in May, for example — stressed the need for a peaceful transition to majority rule for an independent Zimbabwe in 1978, and British and Anglo-American initiatives in this direction have been supported. While observing to the letter the UN sanctions against Rhodesia, we are ready to offer Zimbabwe economic aid once the illegal minority government has gone.

As for Namibia, the Nine have also stated their position on several occasions, in particular on the day devoted to Namibia at the United Nations at the end of August. The Member States consider that the people of Namibia must have an early opportunity to exercise their inalienable right to self-determination and independence. This must be achieved in a democratic manner under the supervision of the United Nations, and with the participation of all political

## Simonet

groups, including SWAPO. The Nine have made several approaches to the South African government on the matter, in particular last February. They support the initiatives of the five western members of the Security Council in the hopes of seeing progress towards this goal.

However, the current situation in southern Africa is very closely linked to the attitude of South Africa. The Nine's opposition to *apartheid* is nothing new, of course. I was able to restate our position during the Lagos Conference in August, when I said that the Nine regarded this policy as an insult to human dignity and a kind of institutionalized racism, which deprived most of the population of their civil and political rights. In this connection, the policy of creating bantustans is no more than an extension of *apartheid*. The Nine totally reject this policy. After refusing to recognize the so-called independence of Transkei, they have no intention of giving any recognition to the bogus independence which South Africa is planning to give Bophutatswana next month.

We feel that the entire policy of *apartheid* is disastrous for everyone in the Republic of South Africa. Not only is it incompatible with the values of western civilization which the South African government purports to uphold, but it also breeds a despair which is felt throughout the country and which often explodes, as in Soweto, with tragic consequences. The South African government's decision of 19 October is to move against people, organizations and publications disowning *apartheid* is part of an intolerable and self-defeating policy.

The Nine have therefore made strong representations on this matter to Pretoria. They are resolved to apply the arms embargo which the Security Council approved at the beginning of the month. But even before these recent events the Community took a step which, it thought, ought to encourage moves towards progress in South Africa, and more especially to the abolition of *apartheid*. The Nine decided to consider ways of bringing the collective weight of the Community to bear towards this end. On 20 September they published a code of conduct for firms with branches or agents in South Africa, and they have urged their fellow members in the OECD to adopt the code, too. The whole aim of this action by our governments is the creation in South Africa of a non-racial government which will allow every citizen to play a full and active part in the running of the country.

Other events in Africa have received special attention from the Nine. I refer in particular to the disturbing events in the Horn of Africa, the Shaba rebellion in Zaire and the distressing position of human rights in Uganda. With regard to Uganda, the Nine made an approach — unfortunately without success — on humanitarian grounds in September in the hope of saving human life. In addition, the Council meeting

of 21 June agreed that any Community aid to Uganda should not consolidate or prolong the denial of basic human rights for the people of that country.

Africa will undoubtedly remain a focus of our attention in the months to come. This continent is our neighbour, geographically and historically, and also by virtue of its ties with the European Community. The Nine's primary wish is for an African solution to its many problems without any outside interference. We reject — and we emphasized this at our meeting in April — moves by any state whatsoever which attempt to create a sphere of influence in Africa. The aid which we are giving and used according to the guidelines which they themselves propose to follow for their own development.

The problem of Cyprus, Mr President, causes the Nine particular concern since the states which are directly involved are linked to the Community by Association Agreements. The Nine have constantly urged those involved to find a fair and lasting solution, to be achieved by negotiation through the UN Secretary-General, with due regard for the territorial integrity of the Republic of Cyprus and the legitimate interests of the two communities which live side-by-side on the island. At the beginning of the year things looked hopeful: we had welcomed the meeting between Archbishop Makarios and Mr Denktash in Nicosia on 12 February and the resumption of talks between the two communities in Vienna at the end of March. Little has been achieved since then, however, especially after the death of Archbishop Makarios and in view of elections pending in the various states involved. It is still the firm belief of the Nine that the principle of these talks must be upheld and that it is vital to resume them as soon as circumstances permit. This view was recently communicated to those involved and to the Secretary-General of the United Nations.

The Nine intend to persevere with their positive and impartial role, which was again apparent when the EEC-Cyprus agreements were extended at the end of June. They used the opportunity to reiterate their firm desire that the benefits of the agreement should be enjoyed by both communities on the island.

I now turn to another area of conflict which we know only too well: the Middle East. Throughout the year, but especially in the last two months, immense efforts have been made to reconvene the Geneva Conference. These efforts have not yet met with success, but they are backed by the Nine who are quite convinced that there must be an immediate resumption of peace talks for an overall settlement. On 29 June the European Council adopted several guidelines for a settlement of the Middle East conflict. In this Community document the Member States repeat their conviction that a genuine settlement could only be achieved on the basis of resolutions 242 and 338 of the Security Council, and on the basis of the following:



**Simonet**

Firstly, the inadmissibility of the acquisition of territory by force; secondly — and this follows on directly from the first point — the need for Israel to end the territorial occupation which it has maintained since the conflict of 1967; thirdly, respect for the sovereignty, territorial integrity and independence of every state in the area and the right to live in peace within secure and recognized boundaries; and finally, recognition that in the establishment of a just and lasting peace account must be taken of the legitimate rights of the Palestinians.

These were the main points in the statement of 29 June. It forms the basis of our policy on Middle East affairs. Consequently, an approach was made to the Israelis in August when we expressed our concern at a number of illegal measures relating to the settlement of occupied territory. We also recently stated before the United Nations that this policy of colonizing the occupied territories is liable to hamper negotiations.

The Community's position on the Middle East was again made clear during the third meeting of the General Committee of the Euro-Arab Dialogue in Brussels between 26 and 28 October. The second meeting, you will remember, was held in Tunis in February this year. On that occasion negotiation was somewhat difficult. Recently, however, there has been a more positive trend, and the Brussels talks of a fortnight ago resulted in a series of decisions on positive action. A number of preliminary measures and studies were approved, especially in the fields of infrastructure, agriculture and cultural matters. There was also agreement on how to finance these initial projects. There was also agreement on how to finance these initial projects. This first step will eventually enable us to implement full-scale projects.

Other initiatives are in the pipeline and these will be followed up with a view to achieving concrete results. The particular fields involved are the labour force, protection of investments, transfer of technology, industrialization and commercial cooperation. As far as the last item is concerned, the Nine agreed at the Brussels meeting to examine the possibility of establishing formal, non-preferential links within the framework of the Dialogue.

It is clear that we have here a wide range of joint action with a group of countries whose political and economic importance for Europe is obvious. The progress made last month is an encouraging advance in our deep and wide-ranging dialogue with our Arab colleagues.

This annual debate on political cooperation organized by the European Parliament gives us all the chance to take stock of what we have achieved. This is all the more important as the constant flow of specific decisions, distinct statements and views on particular matters which I have just mentioned could easily

obscure the overall picture. If I may, Mr President, I should like in closing to review this overall picture rather than specific current events.

It is now just over seven years since the Community heads of government gave the go-ahead for political cooperation by adopting the Luxembourg report. Three years later they up-dated their aims with the adoption of the Copenhagen report. Today these documents are still the theoretical basis on which political cooperation rests, and by referring back to them we can assess how much progress has been made in the directions required.

The Luxembourg report was extremely cautious in stating that the aim of political cooperation was to improve the mutual understanding of problems by means of consultation and exchanges of information. It was essential to harmonize and maintain points of view and, where possible and of course desirable, to take joint action. Encouraged by the early success which followed this first report, the Copenhagen report was couched in more formal terms, setting forth a commitment to consult one another on all important matters with the aim of adopting a joint approach to specific problems. There was one reservation, however, since it was made clear that the matters dealt with should affect Europe in areas where a definite position was 'essential and desirable'.

Looking at the situation as it stands today, we can say that the aim outlined in these documents have in most cases been achieved, and that the procedures they proposed have become routine. This does not mean, of course, that everything is running perfectly. As President of the Council, I can give you several examples of occasions when consultation would have been useful or joint action could have been formulated, and where this was not done. But these unfortunate occasions have now become the exception. The rule, as far as the Nine are concerned, is that we now consult one another on all important matters of foreign policy. Not only do we seek a common approach to specific problems, but very often we manage to find one. Joint action has become common enough for it no longer to be regarded as exceptional. There is less and less recourse to the escape clauses which allow the Member States to question the guidelines of political cooperation.

Instead, I believe I can go as far as to say that political cooperation has become closer and more demanding than the original documents foresaw. A kind of unwritten law has developed among the Member States. There are no penalties attached, of course, but there is tacit recognition of a rule which may be broken from time to time but which nevertheless exists. There is now a fair amount of pressure on our diplomatic representatives to act together, to speak with one voice and to avoid divergent views.

Simonet

It is certainly interesting to ponder the source of this pressure. It is not, as some people still claim, that the advocates of Europe are blind crusaders for a new faith, whereby dogmatic intolerance attempts to deny the reality of our Member States, our peoples and our countries. It is high time we banished these absurd and hackneyed ideas which would have us still living in a world of illusions. The truth of everyday reality is that a double pressure is being exerted, and will no doubt continue to be exerted more and more, both within and outside the Member States. I say 'within' because our citizens are becoming increasingly aware of the need for joint action in a world dominated by the superpowers and by blocs of nations in several international organizations, and I say 'outside' because other nations which expect international dialogue to be between large blocs are waiting, hoping, and sometimes even demanding, to hear the voice of Europe and to know what our collective view is. It is this double pressure which urges us along the path of political cooperation, and not some kind of European secretarianism.

When taking stock, we must neither over-estimate nor underestimate what has been achieved. We must not over-estimate it because our political cooperation, for all the progress made, is not a common foreign policy. It is based solely on the political goodwill of governments which state that they have remained sovereign, save where certain powers have been transferred to international organizations. Views may differ on just how true this statement is. It is vague, retractable and there may be exceptions. Furthermore, been weaknesses and shortcomings in the international business of building Europe impose objective limits on political cooperation. If we are to speak with one voice in the world, we must first agree on where our common interests lie, and this is not yet the case in every sector. On the other hand, however, we must not be too ready to underestimate the results of our efforts, because we have achieved real cooperation and we often manage to present an image of a united Europe to the outside world.

Mr President, all the indications are that we shall continue to move in this direction, whatever the opponents of a united Europe may think. And this is not because our arguments are any better than theirs — though they probably are — but because political cooperation, just like the building of Europe, satisfies the needs of the age. This is the reality which all of us, whether we are for or against the idea of European unity, will have to accept.

*(Applause)*

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, irrespective of the report by the President of the Conference of foreign Ministers meeting in

political cooperation, my Group requested this debate on South Africa, partly in view of the forthcoming conference of the Joint Committee of the ACP-EEC Consultative Assembly in Lesotho in order to give the Community institutions an opportunity to express their views publicly on current events in the Republic of South Africa, and on the fact that the meeting of the Joint Committee will be taking place in the independent state of Lesotho, bordered on all sides by South African territory.

First of all, the Socialist Group wishes to thank the President of the Conference of Foreign Ministers for his clear-cut straightforward and unequivocal comments on the appalling events in South Africa.

This debate was prompted by the increase in the repressive measures adopted by the extremist white in South Africa. The repression of the black majority by the white minority poses a threat not only to southern Africa or the African continent as a whole, but also to world peace. The situation in South Africa may become a powder keg, and therefore we, and in particular the countries of the European Community, bear an enormous responsibility.

There are many who do not welcome this debate, a fact borne out by the attempt made by other political groups in this House to prevent this debate at a meeting of the Bureau of Parliament in Berlin. However, we in the Socialist Group say that Parliament should not sacrifice its credibility by shutting its eyes to injustice in South Africa. I believe that our partners in Africa, the Caribbean and the Pacific are right in demanding to know our attitude to South Africa's policy of apartheid.

We in Europe — and not least we Germans — have painful recollections of racism. We know what harm can be caused when people of a different colour or religion are treated differently and when they are subjected to oppression or discrimination and their very existence is threatened. The latest measures adopted by South Africa call vividly to mind the Nuremberg race laws of the Nazi dictatorship. There may be differences here and there, but the root cause is always the same — disregard for fundamental human rights. The South African government should be warned unambiguously against continuing its fatal policy of persistently oppressing millions of human beings and disregarding their most basic rights.

It is true, Mr President, that the Community Member States have protested in the strongest terms, as you pointed out several times in your speech. But I ask you, is protest alone enough in such a situation? Is it adequate in view of what is happening in South Africa? Hence the concrete question put by the Socialist Group to you as President of the Conference of Foreign Ministers: what further political and economic measures will be taken to make the Community's position perfectly clear to the South

## Fellermaier

African government and to help to safeguard the rights of all its citizens? To those in the House or elsewhere who object that this amounts to interference in another country's internal affairs I would say that we Socialists disagree and maintain that we would be sharing the guilt if we were to keep silent in such a situation.

We Socialists are not seeing merely what we choose to see. We are aware that human rights are being violated in other parts of the African continent as well, and we therefore intend to table a resolution at the meeting in Lesotho which makes it clear that human rights in Africa and in the world as a whole are indivisible and that one has no right to object unless human rights are respected in one's own country. This is not the case in all African states. But the measures taken by the South African authorities on 19 October against organizations and newspapers of the black majority, the arrests, and all the events on and after 19 October are tantamount to an admission by the South African government that it can maintain its power only by undemocratic means. Thus the few remaining links between the white minority and the black majority were destroyed by extremist elements in the South African government. We must therefore do everything in our power to avoid further bloodshed, as time is running out.

The fact that even moderate blacks have been arrested and expelled is a severe setback for the prospects of peace in South Africa. It should therefore be made clear to the white minority that their behaviour means that they will share the blame for any violence which erupts. In a recent interview a prominent member of the South African government referred to the habit of the Boers of defending themselves by withdrawing into the circle of covered waggons: this inward-looking defensive attitude can only lead to further isolation and an intensification of the struggle.

Integration between the white and black populations is the only solution with any chance of long-term success. If bloodshed is to be avoided, the situation of the black majority must be considerably improved. We call upon the Community Foreign Ministers to exert greater political and in particular economic pressure on South Africa — this is perfectly justifiable. The brutal repression of the Soweto demonstrations and the murder of the civil rights worker Biko are reminiscent of the bloody events of Sharpsville in 1960. The black workers in South Africa are paid extremely low wages, they have no job security, legal protection, training or any opportunity to better themselves, they are paid very much less for doing the same work as whites, their present trade unions are powerless and they are prevented from forming new ones.

I therefore ask the President of the Conference of Foreign Ministers: what measures are the governments of the ask at present taking to implement and supervise the code of conduct?

I should like to congratulate the President and his colleagues for adopting this code of conduct and recommending its acceptance. But how will the industrial associations and groups react? Is it intended to take sanctions against firms which do not adhere to the code of conduct? The Socialist Group calls upon the Conference of Foreign Ministers to issue a yearly report on how effectively the code of conduct is applied to firms which have branches in South Africa. We ask the President of the Conference of Foreign Ministers to give the House an undertaking that they will submit a yearly report to Parliament on whether firms which have their legal and actual headquarters in the Community adhere to the code of conduct.

The system of repression in South Africa can only remain in operation if it is regarded as being self-contained. If we wish to pave the way for freedom and justice, we should not shut our eyes to the important fact that 60% of all foreign investment in South Africa comes from European countries. I repeat, Europe accounts for 60% of all foreign investment, and therefore the question of the supervision of and adherence to the code of conduct is also crucial to our future economic relations with South Africa.

If these European firms with branches in South Africa adhere to the principles and guidelines laid down in the code of conduct adopted by the Conference of Foreign Ministers, greater freedom and justice could ensue. We could thus help to create a new solidarity between the races and thereby help to safeguard peace.

We were gratified to hear you say, Mr Simonet, that the arms embargo, which the United Nations has finally proclaimed against the Republic of South Africa, will indeed be put into effect. But I ask you publicly — what measures or checks will be carried out, and what steps are the governments of the Nine and the Community institutions willing to take to ensure that European arms do not somehow find their way to South Africa?

In conclusion I should like to point out that the Socialist Group does not and never will call upon the white minority in South Africa to surrender. However, if it continues to disregard the rights of the black majority and high-handedly clings to its untenable privileges, it will one day have to fight for its survival. Then we will witness precisely what we are trying to avoid — a calamitous and bloody race war. The eleventh hour is already at hand in South Africa. Let us do all we can to ensure that violence does not erupt before it is too late!

(Applause)

President. — Mr Simonet, do you wish to speak?

Mr Simonet, *President-in-Office of the Conference of Foreign Ministers.* — (F) Mr President, I should like straightaway to answer the question put by Mr Fellermaier on behalf of the Socialist Group. It relates to a

## Simonet

series of problems which are sufficiently crucial to warrant a separate reply from the one I shall be giving at the end of the general debate on the report I have just presented.

As the proverb says, there are none so blind as those who will not see. Indeed, the history of democracy, in particular European democracy, has shown that we have often ignored disturbing trends in certain countries or regimes until brutally forced to become aware of them by events which are tragic and threatening, or even fatal for democracy.

As far as South Africa is concerned, no such criticism can be levelled against the democracies of Europe. We are aware that the future is uncertain and that South Africa may experience violent turmoil and conflict, which could be tragic not only for that country but also for the whole of Africa, and very probably also for our economic, political and strategic relations with Africa. For this reason we, as a Community of nine states fully associated in a spirit of political cooperation, have tried to exert certain moral and economic pressures on South Africa, not in order to ensure that it adopts a radically different regime overnight, but to get it to give some tangible signs of its willingness to bring about a gradual but fundamental change in the present imbalance in its approach to the most basic human rights. But I wonder whether the proverb I just quoted could not be applied to the white population of South Africa, at least to that part of it which considers itself represented by the present government. I am inclining more and more to the view that some highly influential South Africans have chosen to ignore what they regard as unacceptable and are resolved at all costs to continue as before, convinced that even alone they will resist all those throughout the world who are trying to make them change. I hope I am mistaken, but I cannot exclude this possibility, and this makes our task of persuasion all the more necessary and difficult. There is no doubt that when the majority of a given population deliberately sets out to isolate itself and is determined to defy world opinion, it is necessary not merely to get it to change its attitude but to do so in a way which does not make it feel that its feelings of rejection and isolation are justified. A few months ago, when the Nine embarked on a deliberate policy aimed at persuading the South African government to revise the policy which it has pursued hitherto, account had to be taken of both these considerations — that we are all convinced that we cannot remain indifferent to what it going on in South Africa and that we must try to promote a gradual but radical change, but that we must act with the necessary caution and tact. However, as Mr Fellermaier has pointed out, South Africa seems more likely to adopt a harder line than to relent, a view which provides support for those who argue that stronger action should be taken; but it could also be seen to justify the views of those who, like all the Foreign Ministers, believe that we should not adopt severe measures which we would be

completely incapable of implementing and which, while they would accentuate the white South African's desire to isolate themselves and render blow for blow, would not thereby harm other industrialized countries such as those of Western Europe and the United States, but those who are sadly powerless at present, that is the whole of the black population. Let us not forget, Mr President, the deliberately short-sighted attitudes which those who feel misunderstood or abandoned sometimes adopt despite their long-term interests — an example of this may be seen in the measures recently taken by the government to which Mr Fellermaier referred a moment ago. That is the first set of considerations on which the Nine should base their psychological and political approach if they wish to achieve success. I would add, of course, that any persuasive measures or pressures, to which the whole of the international community is committed, should be applied by a group or groups of countries.

This is why we asked the other industrialized countries in the OECD to draw up a code of conduct similar to ours for undertakings with branches in South Africa.

Mr Fellermaier asked me a number of questions, some of which are of fundamental importance, as they relate to a series of concrete measures which form part of this policy of cautious persuasion — whose scope, however, is clearly defined — and which should be the most effective components of it: I am referring to the arms embargo and to the code of conduct just mentioned. On the subject of the arms embargoes, I shall tell Mr Fellermaier a little story which — while it may be out of place in view of the seriousness of this debate — may illustrate that the situation as regards arms embargoes applied by one country or group of countries to another is quite different. In a country which is in the throes of a vigorous arms drive a young man whose wife is pregnant meets a friend who works in a pram factory. As he is not very well off he arranges to obtain cheaply the parts to make a pram himself. A few weeks later the young man is the father of a fine baby. When asked by his friend whether the baby is comfortable in its homemade pram he replies 'Well, no matter how I fit the bits together it's not a pram I get — it's a tank!' It is quite difficult to divert arms exports from their proper destinations. If the states involved agreed to condemn arms exports, it would be easy to carry out checks, provided they were sincere. But I see no reason to believe that one of the countries which was advised, indeed enjoined to impose an embargo on the export of arms to South Africa has decided not to implement it.

In Belgium, for example, no arms may be exported unless the Ministry of Foreign Affairs has been informed and stated its opinion.

## Simonet

There are therefore no technical or administrative problems as regards checks, as compared with other products, which are sometimes diverted from their proper uses.

As far as the code of conduct is concerned, Mr Fellermaier, like other Members, may have his own views as to the degree of control which the Member States may exert over the private sector, but under existing legislation in the Member States (whose economic systems do not differ fundamentally) it is not possible to apply legal sanctions to the observance of such a code. Let us consider a very simple example. If a country finds that a given concern with a branch in South Africa is not adhering to the code of conduct it cannot impose a fine or apply any other legal sanction to the undertaking. The only available sanction is that of moral censure. After an unfavourable initial reaction from employers' associations in one or two Community countries, the efforts made by the governments to impress on them the crucial importance of what is at stake have resulted in an assurance by all the associations that they will apply the code of conduct as fully as possible. A yearly report will be drawn up on how the code is being observed; by adopting this approach — which is the only one open to use — we hope to exert economic pressure on South Africa in order to help to bring the working conditions of the black and white labour forces closer together.

We all know that this problem cannot be solved overnight by resorting to Manichean formulas which I admit have the advantage of simplifying complex situations by seeing everything in terms of black and white — we separate the wheat from the chaff and imagine that the problem is solved. I indicated in my introductory remarks that the policy which we want and ought to apply to South Africa calls for a mixture of firmness and tact and that we cannot hope for complete equality in the very short term. But such equality is our ultimate aim, because we are aware of the human aspect of the problem, and underlying our entire policy is a set of values which makes such human considerations our prime concern. We also want to see equality because this is obviously in our interest, since violence in southern Africa could soon set the whole of Africa ablaze, with catastrophic results for the Western world.

This problem is of such a long-term nature that it will obviously require not only periodic but also at times almost daily considerations. I think that the Foreign Ministers of the Community Member States would therefore do well to discuss South Africa during their periodic examinations of the international situation. This would enable them to keep track of developments in South Africa and thereby to assess the international implications of the situation and seek new ways of exerting pressure and persuading the present government or any government working on the same

principles to change these principles radically. In this way, we Europeans would come to feel that we have made a decisive contribution towards bringing about a fundamental change in the living conditions of the majority of the population, secured for these people the rights to which they are entitled, and thus acted in accordance with the fundamental ideals of the Community and in the interests of the whole of Western society.

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

**Mr Bertrand.** — (NL) Mr President, before I begin I should like to stress that I regret the way in which this debate is being conducted. I thought that it was to be first and foremost a debate on the report on political cooperation in the Conference of Foreign Ministers, and that we would at the same time deal with an oral question with debate by Mr Fellermaier on the South African question with which he is concerned. However, this has all been turned round, and the discussion on political cooperation is being pushed aside in favour of a debate on a specific aspect which happens to be topical at the moment. I greatly deplore this and I hope that the Chairman of the Conference of Foreign Ministers will answer the questions I am to put to him on behalf of my group before proceeding to answer the others. In other words, we thought there would first of all, be a general debate, during which Mr Simonet would give his answer. This has not, however, been the case, and we can only deplore this fact.

**Mr Fellermaier.** — (D) Your Group wanted this joint debate, Mr Bertrand!

**Mr Bertrand.** — (NL) Mr Fellermaier, I was not criticizing you, you are doing your own political manoeuvring. I was addressing the President of the Parliament. You as a Group are free to do what you want, but surely I may be permitted to tell the President of our Parliament what I think of the way the debate has been conducted? You as a Group are free to do what you want. You are following your own tactics. I was not addressing you.

Mr President, the observations I should like to make fall into three categories.

Firstly, I should like to respond to the excellent report submitted to our Parliament today by the Chairman of the Conference of Foreign Ministers on progress to date in political cooperation between the Nine.

Secondly, I should like to speak on a number of matters he omitted to mention but which we would nevertheless like to hear, by which I mean details regarding further enlargement, further consolidation of the political cooperation procedure and what has been done about the proposals contained in the Tindemans report. We should also like to know whether or

## Bertrand

not it is intended to take what has already been decided in Luxembourg and Copenhagen a step further. After seven years' experience — and in view of the current state of affairs in which one can undeniably detect a certain amount of progress and improvement in political cooperation — we should like to know what plans have been made for further development and consolidation.

Thirdly, I should like to explain our attitude to the situation in South Africa and the continent of Africa as a whole, since I am surprised that certain events in Africa receive so much publicity while others are completely ignored.

First of all, I should like to thank the President of the Council for the exhaustiveness of this annual report on political cooperation and its results. I should like to congratulate the Foreign Ministers for the exemplary solidarity they have demonstrated at the Belgrade Conference, at which the European Community clearly spoke with a single voice on the two separate fields being discussed at this Conference. Both the problems for the Community in connection with the second basket and the Community's views regarding the implementation of the Final Act of Helsinki were excellently set out on behalf of the Community institutions. Through their representative, the Foreign Ministers also spoke with a single voice on the third basket. We congratulate you on this achievement. It is an example which we will undoubtedly have to follow in all international meetings in the future, since everyone who follows the course of the talks in Belgrade can see that this increases our prestige. It strengthens our rôle as bridge-builder between the superpowers, and the vote of our part of Europe can bring its full force to bear in our endeavour to extend and reinforce respect for human rights, or to promote a thorough, harmonious and responsible development of relations between the various peoples. This could undoubtedly enable us to have a very favourable influence on the situation in Europe which is still inhuman. One need only think of the Berlin wall and relations between East and West Germany. These are continuing examples of the most outrageous, scandalous violations of human rights in our 'civilized' Europe, to which we do not devote sufficient attention. We do not place sufficient emphasis on the fact that the removal of the Berlin wall is one of the points which should have our particular attention, since this is a disgrace to Christian and Western European civilization. This is a point I should like to emphasize. We must clarify the attitude of the nine Member States to these problems which are so close at hand. Every day we can still witness inhuman situations resulting from the breaking up of families or the separation of friends and acquaintances who sometimes stand weeping at the border because they cannot stay together and must take their leave of each other. I should therefore like to give you my hearty congratulations for the way you have participated in the Belgrade Conference.

There has also been some real progress in the United Nations in this matter compared with last year. The speech by the Chairman of the Conference of Foreign Ministers was very encouraging in this respect. I agree that the Nine cannot form a monolithic block. The Member States must to a certain extent be free to act as they think fit. I should like however, to urge them to continue along this path in the General Assembly of the UN, i.e. to continue speaking with a single voice as much as possible in the future so that our views on all the major problems — I am thinking here of the resolution on terrorism and of the fact that this problem has not yet received the attention it deserves in the 32nd General Assembly — will be put forward as unanimously as possible in the United Nations, i.e. at world level, too.

As regards the Middle East, we go along with what you said in so far as you drew attention to the various criteria and fundamental view-points regarding a settlement between the Arabs and Israelis aimed at guaranteeing a secure, independent and officially recognized State of Israel and to solving the problem of a territory for the Palestinians. I should like to know, however, who the representatives of the Palestinians actually are at the moment, as this is the great problem. We discuss this question, but seem to forget that the Palestinians are divided into twelve groups who are based in different places and cannot agree on a common standpoint. Inevitably one tends to regard any group of Palestinians which draws most attention to itself and perhaps represents a great proportion, but undoubtedly not the majority of the Palestinians, as the only representatives of the Palestinians.

This ambiguity is one of the main reasons why no real progress can be made. We also know, Mr Chairman of the Conference of Foreign Ministers, that in the Arab world there is currently, no agreement whatsoever, and that the attitudes of Egypt, Syria or Saudi Arabia differ greatly. You visited that part of the world only last week, and it will no doubt have struck you very forcefully that opinions differ there too. This is why it is so difficult to get the Geneva Conference underway. It is still unclear whether this conference will in fact take place, and if not this could have serious consequences, since the Middle East is a veritable powder keg which remains a cause for concern. I should therefore like to ask a few questions.

I must say on behalf of the Christian-Democratic Group that I was very pleased to note that your last meeting within the Euro-Arab dialogue produced tangible results after so many months of discussions and preparations. There was clearly a desire to reach concrete agreements in the economic, financial and commercial fields. However, what was decided regarding the political problems which have arisen in the Euro-Arab dialogue? You made no mention of this point. Was it left out of the discussion? Where

**Bertrand**

these problems pushed aside? Were the relevant questions withdrawn or were certain agreements concluded behind the scenes? We should like to know the outcome of the discussion of political questions in the Euro-Arab dialogue, since this is the aspect on which the Arab place so much emphasis. We would be very interested to hear something on this point.

And now to the question of Cyprus. The Christian-Democratic group is pleased at the attitude the Nine have adopted and urges them to continue their efforts to consolidate the fundamental aspects, i.e. the integrity of the territory, the recognition of the two communities, the solution of the problem in connection with the application of one country involved to accede to the Community and the fact that the other country involved is associated with the Community. We urge you to continue in your support of Mr Kurt Waldheim in his further attempts to solve this problem. Our Group agrees that negotiations must continue, that contacts must not be broken off and that we must consider when, on the basis of the existing contacts, would be the best time to resume on the criteria you yourself have laid down, namely respect for the integrity of Cyprus and recognition of the two communities in that country. I also feel that the death of Archbishop Makarios has left a gap and that it will be difficult to find an effective solution to these problems until this gap is properly filled.

I should now like to say a few words on the political cooperation procedure. I can fully endorse what the President of the Council said towards the end of his statement, namely that we have considerably increased Europe's prestige in the eyes of the world by the progress we have made in the field of political cooperation. I even think that we have gone too far in this respect, since certain areas outside the Community always think that we are already a political reality and always approach us as if we were already a political Community with a common foreign policy. This means that these people have high hopes and that we cannot live up to their expectations. I am slightly apprehensive that if it eventually goes through to certain quarters in South America, the Middle East, Africa and Asia, etc., that we are internally very weak, that we have not yet managed to achieve any internal alignment that internally we are by no means agreed on certain problems, this might be a disappointment which would considerably weaken our role as intermediary between the great powers and would also be detrimental to the future balance of a world order such as we as Europeans are currently attempting to establish.

This is why I ask what you have done about studying the proposals contained in the Tindemans report in your political cooperation. Have you already discussed them? Are there any plans to eliminate the artificial

dichotomy between the meetings of the Foreign Ministers in the Conference for political cooperation and those in the Council of Foreign Ministers, and to concentrate political cooperation within the Council, which would throw a completely different light on the European Parliament, the other institutions and cooperation with the Commission. What is the situation as regards these talks? Can we expect proposals on this matter? Can we expect, as you announced in your first speech as new President of the Council, that you will ensure that, at the meeting of the European Council on 5 and 6 December in Brussels, an initial report will be presented on progress to date in the implementation of the Tindemans proposals? How far have you got with this?

Secondly, I should like to ask what is the current situation as regards economic and monetary union? This is not provided for in the Treaty of Rome and is therefore a problem which must be solved at the level of intergovernmental cooperation. You said that you would bring this problem up again and that it was your intention to bring about this economic and monetary union. I am sorry Mr Jenkins is not here at present. I see that the Commission is currently following a very clever course which I can only applaud. Mr Ortoli drew our attention to the various aspects which may help to get things moving in the preparation of an economic union. Mr Jenkins also made a very powerful and important speech at the University of Florence on the establishment of a monetary union. Each of them has decided to concentrate on one of the two aspects with a view to getting the whole thing moving with the governments, and the Council and in the framework of political cooperation in a diplomatic manner.

This is why I regret that Mr Jenkins has not yet explained his views on the realization of the monetary union to Parliament. I am by no means disputing his right to speak wherever he wishes. However, it is of fundamental importance that we should be able to conduct a thoroughgoing debate on this matter and make our views known. We fully support what he has done so far, but the President of the Commission should air his views here before explaining them elsewhere. It is a little irregular that we, members of the European Parliament, should have to rely on the press for information regarding such important political views held by the President of the European Commission and can only find out through such channels what he thinks about a matter to which we attach so much importance in our debates. I should therefore like to ask Mr Simonet to clarify this problem.

My final remark concerns South Africa. First and foremost, I should like to stress the fact that all the political activities of the Christian-Democrats are based on the principle of respect for the individual. Our basic



**Bertrand**

principle is the value of the human being, respect for the individual regardless of colour, race or language. We are therefore in favour of respect for human rights — apart from anything else, on the basis of our own Christian-Democratic philosophy and our view of the human being as an individual.

We condemn discrimination against anyone, red or yellow, black or blue, brown or white. These considerations are irrelevant. Man as an individual can demand respect and treatment which are his by rights as a human being. Therefore, as far as our attitude to the events in South Africa is concerned, there can be no doubt whatsoever that we too reject apartheid and feel that attempts must be made to find a solution. What we do not accept, however, and what we do not like to be involved in, are artificial attempts to make out that this is an exclusively South African problem at the present time!

What is happening in Angola, which is still under foreign occupation? Why is this no longer mentioned? Why are we silent about this? Are there not examples of massacres and unimaginable oppression in that country? But Angola suddenly appears to have lost its importance, it appears no longer to exist? I know, yesterday you said that Africa as a whole, the continent, must solve its problems internally, that it must aim at establishing a democratic rule, with respect for human rights and without foreign intervention. However, foreign intervention in Africa continues to exist — in Angola, for example, in Central Africa if you like — but this is no longer mentioned. I would nevertheless have been pleased if these matters had been brought up in this debate, so as to avoid giving the impression that we currently only condemn South Africa and hope to force the 4 million white South Africans to aim, in a manner yet to be decided, at a solution of a problem which can only be solved gradually on the basis of a fundamental rejection of apartheid, which I have just stressed.

The Christian-Democrats support the Chairman of the Conference of Foreign Ministers in his attempt to bring a certain amount of pressure to bear on those responsible in South Africa and urge them to introduce equality as swiftly and completely as possible. But we must do the same in the case of Rhodesia — which is an area in which Europe has, in my view, kept too low a profile. The Community supported the British proposals and then the Anglo-American proposals, but our own attitude has been a little too non-committal because of certain tensions of which you are aware. We fully support Namibia and we, too, hope that this country will become independent in 1978, but under the supervision of the United Nations, so as to ensure that the course of events in that country is peaceful. This, then, is no problem for us. However, developments in other African states, particularly Uganda, are a cause for great concern. As

far as I know, no official arms embargo has yet been imposed on Uganda. The situation continues to be such as to justify such a measure in this case too, if we are to have a balanced policy *vis-à-vis* Africa as a whole.

In brief, we urge Mr Simonet to continue in the direction which political cooperation has been taking for the last seven years. We ask him in his capacity as president, and in view of the influence which his country has always had on the process of European unification, to continue in his efforts to institutionalize this political cooperation and to incorporate it into the Community machinery as soon as possible, so that we in the Community will be able to establish healthy relationships which will make it clear that European integration is progressing step by step and that each period opens up certain opportunities for development.

Mr Simonet, I thank you for the work you have done.

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

**Mr Berkhouwer.** — (NL) Mr President, on behalf of my Group I wish to thank Mr Simonet for his statement. I have no objections to this debate being held at the same time as debate on South Africa, southern Africa and Africa in general, since it means that we shall be discussing these areas in the context of the Nine's political position in the world. To that extent I agree entirely with Mr Bertrand.

While we are not yet united on political questions, one is surely entitled to ask where the dividing line lies between politics and economics. Is there any aspect of modern economics that does not have political overtones? Our Economic Community is increasingly becoming a political reality, with a political identity of its own, although this is a long, slow process. We have to realize that political cooperation between nine nations, four of which were once great powers, and which have been at loggerheads for centuries, is by definition no easy matter.

Before 1938 world politics was European politics. A small number of major powers dictated the course of world events. Now, abruptly, in the space of a few decades, these great powers have disappeared. It is Europe, in a new guise, which now commands the stage, and it is a world stage. This is a natural development — Mr Bertrand is quite right — and it is worth while trying to understand why great powers, who for centuries regarded the world as their fief, are reluctant to fit immediately into the Community harness. It's not easy for them, but there is plenty of cause for optimism. Mr Simonet has cited a number of examples. Our Community presents a remarkable paradox, in that outsiders tend to see more in us than is actually there. As Mr Bertrand pointed out, we often seem to make a better impression on the rest of the world than we do on ourselves.



**Berkhouwer**

This is not a reason for pessimism. We should remember that in other parts of the world there are people who see more in us than we see in ourselves. So let's adopt a positive attitude.

My Group is gratified to note that there is a growing consensus in the Community. I have explained why it takes so long — we are stumbling and crawling, rather than marching ahead, but we're moving forward all the same. We can see this consensus in the Middle East question, even if some of us feel that our approach could have been rather more balanced and taken rather more account of the original UN resolutions. But we also see it with respect to other parts of the world, such as southern Africa, and we see it particularly in a matter which affects us rather more directly, that is the Helsinki Agreement and the Belgrade follow-up to Helsinki. I am delighted to note that at the moment we are cooperating and working together most effectively in Belgrade. This is excellent, since it affects matters close to home. It affects our immediate environment in Europe.

I have always argued that the three baskets must be developed simultaneously. I am pleased that it has become accepted among the Nine that stress must not be laid only on the first or second basket if we are to escape the charge of being concerned only with the economy or with détente. We are entitled to ask for equal treatment for the third basket. After all, what is détente? It is a reduction in tension, and this reduction in tension must be reflected somewhere, namely in a greater freedom of movement in all parts of Europe. It has been rightly said that Europe stretches from Ireland to well beyond the Berlin wall. The Berlin wall remains an obscenity. I was recently in the Reichstag building, and it always sends shivers up my spine to realize that we are meeting there in freedom, only a few metres away from that dreadful wall.

In my view, what we are doing together in Belgrade is well worth while. I believe this because when the Helsinki agreements were reached nobody had an inkling that the time would come when the people of Eastern Europe would begin demanding their rights. Nobody thought for a moment that there would be a Charter 77, that Polish workers would say, 'Right, you've listed all those rights in the Helsinki Agreement and we claim them now.' Or that Russians would demand freedom of opinion. Nobody expected the dissidents to appeal to the spirit of Helsinki. This is the great victory of Belgrade, and I would have thought that — to use an expression which has been employed already — the Nine should be able to use this opportunity to build bridges together.

I wish to emphasize here that I still consider it appalling that the most fundamental of human bonds, that between man and woman, is still rendered impossible in certain parts of Europe. Despite all the talk about human rights, dozens of young men in the

Netherlands have been waiting for years for their brides, citizens of such countries as Czechoslovakia, Rumania and so on. I wish the political cooperation gentlemen much success, and hope they will force a breach in this particular dam, too, and thereby help these people to obtain this most basic of human rights.

In expressing our indignation on behalf of my Group, I naturally have no desire to score party political points. I see that Mr Fellermaier agrees with me on this.

It is customary to remind ourselves that we are living in the last quarter of this century, indeed in the last quarter-century of this 2nd millenium A.D. Let us therefore take stock of the unfortunate situation as regards discrimination and non-selective indignation in the world today. There are currently 149 members of the United Nations — at least there were when I left my hotel this morning. There may be another island group or two in there by now. So let's just say that there are around 150 nations in the UN. Not more than 30 of these use the system of parliamentary democracy which we are privileged to enjoy. And among the other 120 there are 80 or 90 countries where torture is practised, as Amnesty International has shown. I should like to take this opportunity, in fact, to express my tremendous admiration of Amnesty International. My political friends and I are delighted that this organization has been awarded the Nobel Prize for peace. I have seen for myself that this organization concerns itself objectively with all forms of oppression, and with all men and women who have been deprived of their freedom on account of their inner convictions. A word of praise for Amnesty International is in order when talking about human rights.

With my fellow-Liberals I, of course, reject the policy of apartheid in South Africa. We are pleased that the Nine have adopted a common position on this question, with a balanced consensus on arms and a code of conduct. Naturally, we must also consider the interests of the black population, itself, and ensure that they do not suffer any more than is necessary.

I could mention Cambodia. There are, in fact, dozens of places where human rights are trampled on, and I hardly even feel inclined to speak of right-wing or left-wing dictatorships. I oppose every form of dictatorship, every tyranny, be it the Third Reich, the fourth reich or any other kind of reich anywhere in the world. Every tyranny, every dictatorship, whether it is of the right or the left, means that the other fellow's got to keep his mouth shut, and if he doesn't he gets kicked in the teeth. All dictatorships have that in common, and I am therefore opposed to all forms of discrimination, regardless of whether it is based on colour, religion or what have you. The hard and bitter fact is that the 120 countries I have referred to, and virtually entire continents, such as Africa, and much

**Berkhouwer**

of Latin America, are deprived of that great good which we still possess — parliamentary democracy.

Finally, therefore, let me suggest that the primary objective of our parliamentary democracy in Europe should be to protect ourselves by democratic means. For we must be careful to ensure that the current wave of violence and terror in and around the Community does not tempt us into all kinds of unbalanced reactions. But we must realize what is happening. There are forces at work in and around the Community — a cordon of violence is, as it were, being drawn around the Community — against which we must be on our guard. Read this morning's 'Aurore'.

I shall finish by urging the Nine to see it as their most urgent task to safeguard our common values against the terror which is now threatening them.

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

**Mr Broeks.** — (NL) Mr President, I should like to begin by saying that I was surprised and indignant to hear what Mr Bertrand said about what he referred to as our group's political manoeuvring. The only explanation I can find is that I know Mr Bertrand was not present yesterday when the Chairman of his own Group proposed dealing with these two points together. Considering that it was the Christian Democrats who made this proposal, I feel that what Mr Bertrand said about us is quite out of place ...

**Mr Fellermaier.** — (D) Hear, hear!

**Mr Broeks.** — (NL) ... And I should just like to add that I think we ought to give rather more careful thought to what white people are doing in the world, particularly what white democracies are doing, than to what is happening in Angola or other countries where democracy was hitherto completely unknown. This is only right. I expect different standards from South Africa than from Angola or Uganda.

Therefore we feel that what is happening in South Africa at the moment is sufficient reason for a debate here in Parliament at this particular time. We are not the only ones who take this view, since the matter has been discussed in the United Nations and it was discussed at the meeting of Foreign Ministers. If I then consider what Mr Vorster said some time ago in an interview in America — namely that the Blacks will never be represented in his Parliament — then I think this is something that deserves to be on the agenda here.

Why are we so concerned at the moment about what is happening in Africa? Because, in our view, this year Vorster has deliberately embarked on a policy of total repression by force, whereas we have always hoped for a peaceful solution. Can this sort of repression by force work in a population of 23 million which includes only 4 million Whites? If you consider that

only 19 % of the 4 million Whites live in the rural areas of South Africa, while 81 % of the Whites live in the towns, but that in all these towns the Whites are greatly outnumbered by the Blacks, Coloureds and Asians, you can get an idea not only of the difficulties the country has to contend with now, but also of those it will face in the future. Precisely as a result of this repression by force. And is it reasonable to expect, if these Blacks are not given adequate schooling and the conservative white trade-union organizations want to keep it that way in order to keep their wages higher than those of the Blacks, that things can go on like this? Do you really think it can go on like this, when in practically all industries the Blacks' wages are  $\frac{1}{5}$  of those of the Whites, and in the mining industry  $\frac{1}{7}$  of those of the Whites? Do you really think that things can go on like this without the non-whites rebelling against it? Do you think that if there is a Job Reservation Act, under which it is no longer possible for non-whites to be admitted to certain professions, this can go on for much longer without protest? In my view, this is clearly impossible!

Mr President, it is now 16 years since the Sharpsville massacre, and since then the ruling minority in South Africa has increasingly resorted to the use of force. Despite this, however — or precisely because of it — we have had the tragedy of Soweto. A tragedy in which 1 611 people were killed or wounded by gunfire and 1 229 died or were injured from other causes. 80 % of the victims were shot in the back. In Cape Town 70 children died from teargas poisoning.

But nonetheless the struggle there continues, and we are afraid that unless a more sympathetic attitude is adopted very soon this struggle will become much more violent. At the present time 39 cases are being heard against terrorists — or people who are called terrorists in that country. Steve Biko, the 30-year old Honorary President of the Black People's Convention has been murdered. At first it was said that he had committed suicide, but now the Minister has admitted that he had a brain injury, commenting: these days, anyone might feel like banging his head against a wall. I can well imagine that the Minister in that country might gradually come to feel like that. In the past 17 months 16 people have come out of police cells feet first, and in one case — that of Joseph Mdluli — this led to proceedings against four members of the Security Police. They were acquitted, but the judge said that he did not care to accept these four policemen's version of the way Mdluli died. Recently, however, there have been further developments. Eighteen mainly black organizations have been banned. Then there is the closure of the newspapers 'The World' and 'Weekend World'. The editor-in-chief was arrested and Donald Woods was served with a banning order. A few days ago, on 10 November, the police cordoned off a black township and 626 people were rounded up. The purpose was ostensibly

**Broeksz**

to remove criminal elements. However, Mr Kruger has promised that in future South Africa is to be even cleaner. That bodes ill for the future, for this cleanness implies that human rights will once again be violated in that country.

I must say we are glad that a number of countries in Europe have realized that things cannot go on like this if we are not to end up with a very bloody situation. An arms embargo has now been imposed and that is definitely a step forward. But it is not enough. There must be a stop to investment in South Africa, despite the high returns due to the very low wages of the Blacks. Exports of capital to South Africa must be stopped. Political and material support must be given to the black organizations involved in the struggle. The Whites, who hate the system — and unfortunately there are all too few of them — must be encouraged. A decision must be taken on an oil embargo. A code of conduct has now been drawn up for multinationals in that country, and I am glad that the Foreign Ministers decided on that. Will this code be a success? I doubt it. It says that there must be consultations with the black trade unions which still exist. There is, however, a law on these black trade unions which is so stringent that they are scarcely able to carry out the functions of a normal trade union. The code says that companies should not pay too much attention to the system of migrant workers in southern Africa, which is an instrument of apartheid policy. But the passes about which there has been so much fuss have been replaced by travel documents for which fingerprints are once again required. Thus the same difficulties remain. In the so-called free Transkei there are complaints about the way in which all this is being enforced, and the principle of equal pay for equal work can hardly be maintained in view of the fact that wage differentials are so appallingly large.

Mr President, we are glad that something has been done to impress upon those who have industries in South Africa that they should be careful. Although I myself am pessimistic about this, as are many others, I hope that they will still realize in time in South Africa that, if they go on like this denying all human rights to non-whites, it can only end in a bloodbath which we all hope can still be prevented.

*(Applause)*

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

**Lord Reay.** — Mr President, I should like to join with those who have expressed their thanks to the chairman of the Conference of Foreign Ministers for the very judicious speech which he made to us this morning, in which he covered a very great number of issues, only a few of which I wish to touch on myself. I would like also particularly to wish him well in his state of poor health. He has always treated us with a

very great degree of consideration and shown the highest level of cooperation to this Parliament, and I do not think any of us would wish him to risk too much on our behalf.

If I could, perhaps, take up where he ended, I would like to agree with him when he said that we have recently seen a very great improvement in the degree of integration achieved by the Community in the field of foreign policy cooperation. I have thought for a long time that this has been much better at the level of the United Nations than some — even in this Parliament — have been disposed to consider, but it has recently become even more impressive. It is plain now that there are consultations, as Mr Simonet said, on all important foreign policy questions. There are fewer and fewer escape clauses. I think the frightening experience for the Community was the crisis over the Middle East in 1973. That was the main turning point which obliged the Community to make improvements in this field. Subsequently we did have some humiliating moments, particularly when it came to the recognition of new governments, but since then there have been relatively few major problems. Plainly, crises could arise in the future which would test the degree to which the Community is able to continue to act as one in this field, but one can look forward with a great deal more optimism now than one could three or four years ago.

On the matter of South Africa, which has perhaps preoccupied today's speakers more particularly than any other matter, all of us, I think, in this Parliament were distressed and horrified by the actions taken by the South African Government on 19 October and on following days, the actions to which Mr Fellermaier in particular has drawn attention today. It looks as if South Africa is turning itself into a fortress and hurling defiance at the rest of the world, no doubt believing that nothing it can ever do will alleviate the constant criticism to which it is subjected. I think the situation is becoming one of an extremely dangerous polarization in southern Africa, which is very difficult for us in the Community indeed. On the one hand, we cannot ignore such events, as we have just seen, but indeed, even more than that, we can hardly any longer ignore it, if nothing happens within South Africa to change the policy of apartheid. I think it is right for us to follow a policy of trying to persuade South Africa to change its policy in this respect, including the exertion of certain pressures in order to try and get a change of policy, and I think it is the right policy rather than that of adopting economic sanctions and isolating South Africa even further. Whether this policy will succeed, of course, is another matter, and I think all of us must have some doubt in that regard.

Whereas, however, we cannot, I think, ignore such events, there are factors that limit very severely what

## Lord Reay

the Community can do, or, at any rate, can do without very great difficulty indeed. It is no secret that Community countries have very heavy investments in southern Africa, that there is a very substantial trade between Community countries and South Africa, that Member States, some perhaps more than others, rely very heavily on imports of very important materials from South Africa and have considerable exports to South Africa, and that altogether a considerable amount of employment within our countries depends on our trade with South Africa. Now, I have no doubt that the demand for economic sanctions to be applied by Western countries to South Africa will continue and even perhaps increase. But I hope that those countries who will demand that we should apply economic sanctions will show some recognition of the very great difficulty that it would be for some of us to do so, and will see some similarity between the difficulties which we have in that respect and those which certain applicant countries had when it came to a question of sanctions against Rhodesia, when the dependence which some of those countries had on Rhodesia made it impossible for them to comply with such sanctions.

On the question of the code of conduct, I would like to emphasize the point that Mr Fellermaier made of the need to see that this code of conduct is followed properly and equally by all those to whom it is supposed to apply. I think it is also extremely important that this should be the case with regard to the Community, and that it should be equally applied in the case of all Member States. Mr Simonet said when he came to the matter of the arms embargo that he did not doubt the sincere intention of all Member Governments to see that this policy was properly applied. I hope that he is right, and I also hope that that will be true in the case of the code of good conduct. Sometimes some of us have said that there are Member States in the Community who attempted to agree to general policies without any very serious intention to apply them, and I think it would be quite wrong if this were to happen here: it would penalize some Member States more than others, and would therefore have a disruptive effect upon the Community itself, so I think we cannot emphasize too strongly that the Council and perhaps the Commission as well should make sure that, when declarations of this kind are made by Member States, they are then followed equally in all cases.

Further, on the subject of Africa, there are two questions which I should like to ask the chairman of the Conference of Foreign Ministers. Firstly, I refer to a communiqué issued by the Foreign Ministers of the Nine, where there is a reference to the willingness of the Nine to cooperate, in so far as any African state wishes them to do so, and where there is also a reference to Zaire, a country which he referred to in his introductory remarks this morning. Now I wonder if one can put two and two together here and suppose

that there has been some discussion at Community level with regard to possible intervention supposing an appeal was made by Zaire, if there were a further invasion of Zaire, about which there has been — whether responsibly or not I do not know — some rumour. Has there been any form of Community discussion with respect to the possibility of acting if an appeal were made to Community countries, or is this once more going to be left to Member States to act or not to act bilaterally?

Secondly — and this is a similar question — has there been any discussion about intervention in the case of Somalia? Has any appeal for intervention been received by the Member States — again, not on a bilateral but on a Community level — and has such Community intervention been discussed? Obviously, the events relating to the hijacking at Mogadishu would incline all Member States to view more favourably than they perhaps might have done previously any requests which Somalia might have made to them. I wonder if in fact there has been any progress — by that I mean any further development — in this regard.

More generally — and I do not know whether Mr Simonet would care to comment on this — we can plainly expect that appeals will be made either on a bilateral or on a Community level, to Member States or to the Community by African countries for intervention in disputes within Africa. I wonder if he thinks there is likely to be any change in the policy of the Community with regard to the response to requests of this kind. Plainly, until now there has been a tendency for the greater part of Member States — or the Community as a whole — not to respond to invitations to intervene in disputes within Africa. I wonder whether he sees a growing pressure which would incline the Community to intervene, and what his views about that would be.

Finally, there is just one other point I would like to raise on another matter altogether, Mr President — again, in the form of a question to the chairman of the Conference of Foreign Ministers — and that is about the American withdrawal from the ILO. Some of us, I think, sympathize strongly with the action which the United States took. I think that the United States was highly provoked. I think the ILO is no longer quite the institution that some of us thought, that it was, and it has become excessively political.

The question I would like to ask is whether Mr Simonet sees the United States' withdrawal as providing, perhaps, a salutary shock to the ILO, or does he see it, particularly because of the withdrawal of the financial contribution that it implies, as a blow so damaging that it might kill that organization altogether?

Those are the questions which I would like to put to the chairman of the Conference.

## IN THE CHAIR: MR ZAGARI

*Vice-President*

**President.** — I call Mr Jensen.

**Mr Jensen.** — *(DK)* Mr President, first of all I should like to stress that I am against apartheid and racialism — there can be no doubt that the ethics of an internal policy of this kind are highly questionable — and for this reason I fully agree with what Lord Reay has said. However, every country should be free to decide for itself what line it will take.

Is it, then, up to the Community to take political measures against a trade partner, as suggested in the question before us? It is a basic question of how the Community plans to exercise a coordinating influence on foreign policy. Are we all clear in our minds as to what the consequences would be in the present case?

Only a very small proportion of the African population has so far reached a stage where their situation may be compared to that of Europe.

The concept of human rights is getting mixed up with fine words about ideologies and independence and, in many cases, attacks on states which have shown themselves more disposed to play a part in international relations.

In the case of South Africa, the word 'colonialism' does not have its usual meaning. In South Africa it is a question of a section of the population which was born and grew up in the country it is defending. Even if the members of this group have skin of a different colour, they are nevertheless Africans. It is regrettable that in the West it is not an acceptable policy to maintain and promote free trade throughout the world, but that we must artificially single out the 'right' people with the 'right' views and the 'right' party cards.

The fact that the Community's policy in recent times has clearly been to restrict trade with among others, South Africa, which has hitherto always met its financial commitments, cannot be put down to the lack of opportunities for trade. In reality, therefore, this must amount to a misguided African policy, in that trade is being concentrated in countries which turn it into a bit of a farce in that they clearly have some difficulty in adapting themselves to modern international society, while at the same time they have not been fully able to take on the economic responsibilities this entails. All this means is that it is the European taxpayer who has to foot the bill for this very special type of export. A trade policy of this kind vis-à-vis the majority of African states is therefore misguided and I cannot support it.

Foreign policy must be based on the principle of strengthening relations with those nations which are most friendly to us and playing our part in the efforts of the free world to protect as many countries as

possible against Communist oppression. What, after all, are Moscow and Cuba's plans other than dangerous neo-colonial assumptions which will lead to total dominance by the Communist system which has failed so completely everywhere it has been tried out.

Is it right that the Community should turn its back on South Africa and stand by while it is brought to its knees and made a Communist satellite when, as far as I can see, we conducted a different and more successful policy in the case of our closest Southern European neighbours who are now in the process of establishing democratic forms of government which we find acceptable, and on whom we did not turn our backs even when only a few years ago they were conducting internal policies which were totally alien to us? Have we any real proof that the majority of the African countries we support in fact are living up to our idea of democracy? I have great sympathy for the oppressed throughout the world, and I would be pleased if all the countries in the world were good democracies with all the opportunities this implies, that everyone had one vote and that each vote carried the same weight. Unfortunately, however, this is only the case in the very small part of the world which we call the Free World. In many respects the conditions in South Africa are better than in other countries. Developments are taking place in that country, albeit slowly.

The Community should not meddle in the internal affairs of other countries. We should not condemn and set ourselves up as judges. It is not our job to act as a world police force. What we should do is to enter into a dialogue with all the countries in the world and communicate with them. But before anyone takes the liberty of condemning others, he should first of all become thoroughly acquainted with the problems involved, and this, in my view, does not always happen.

This can lead to the policies of certain Member States causing disagreement within the Community, and I must therefore recommend that the Community conduct an open but neutral foreign policy and not promote a form of European socialism which uncritically panders to African Communism.

*(Applause)*

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

**Mr Klepsch.** — *(D)* Mr President, ladies and gentlemen, I should like to join with those who have expressed their thanks to Mr Simonet for opening discussion on the real substance of this debate. I should like to take this opportunity to defend my colleague, Mr Bertrand, against certain unjustified attacks which have been made on him in this House. Mr Bertrand is quite right. We willingly agreed that

## Klepsch

the oral question tabled by the Socialist Group should be discussed in the course of the debate on Community cooperation in foreign policy. It is one, and indeed not the least important, of the relevant topics, but if we make use of this morning's sitting to discuss the pass laws in South Africa instead of debating cooperation in foreign policy, we will in my opinion have allowed ourselves to be blown somewhat off course.

I should like to make a few remarks on this question of political cooperation. My group takes the view that in assessing actual results we should make our guiding principle the need to work towards political union, which the Belgian premier, Mr Tindemans, described in the report which he drew up at the request of the heads of government as a prerequisite for the further development of such cooperation. There are areas in which we can express our satisfaction with the political cooperation, but in others we are very disappointed to observe that cooperation is really still in its infancy. My group has always been of the opinion that the European Community is no mere shopkeepers' association, seeking commercial advantage through economic cooperation, but has always believed — and this is the view which I should now like to put forward — that it has a political mission, which also colours our relations with other countries.

We therefore regret that the European Community shows so little capacity for joint action, e.g. in the United Nations. We regret that the percentage of cases in which the nine Member States of the Community adopt the same position in, for example, the forum of the United Nations is still so limited. But we also recognize that outstanding results were achieved by political cooperation in Helsinki — in collaboration with the Commission, whose contribution I certainly do not wish to belittle. Like the whole of my group, I am following with interest the role played by the Community and its Member States within this cooperative framework at the Helsinki follow-up conference in Belgrade. In all frankness, I should like to express our admiration for the clear and firm manner in which the foreign minister of the Netherlands described the violation of human rights in Europe at that conference. That he is a member of the Socialist Party is of no importance to me in this context, and I should like to state quite clearly that I completely agree with his position and would therefore emphasize that we must base our evaluation of the report and further work on the concrete results — on what is actually achieved.

My group has no objection to our reflecting on the common principles to be applied in foreign policy or to our seeking to formulate and enunciate these principles, indeed this is a process which has our full support. Let us consider one such principle — that of basic and human rights. It is quite clear to us that, in our relations with every state in the world, we must

seek to promote the cause of human rights. The rights and liberties of the individual which are laid down in the human rights declarations of the United Nations are in our eyes indivisible. All human beings have an equal right to protection from the arbitrary exercise of power, to social justice and to a share in the political process. Racial, religious, political or social discrimination, irrespective of colour, creed and the type of state in which it occurs, is condemned by our group as a violation of human rights. With the same firmness as we have shown in advocating the abolition of apartheid in southern Africa, we oppose a policy of demanding human rights in certain countries only while accepting, if not indeed encouraging, continued grave violation of these rights in other countries. I should like to make it clear that in saying this I am not referring to Mr Broeks, but he argued earlier that white states, to quote his example, must accept that special standards will be applied in judging their treatment of minorities, majorities, or ethnic groups of another colour. Now I judge the Soviet Union by the case of the Crimean Tatars and I am amazed to see how little attention is paid to the protests of the civil rights movement in the Soviet Union about the treatment of this entire people.

*(Scattered applause)*

This is, of course, a question which must be asked. When we speak about human rights we do not consider on grounds of expediency whether we wish to see these rights implemented to a greater or lesser extent in this or that area. For us the principles are indivisible, and we cannot contemplate applying them selectively. We do not close our eyes to the fact that it is difficult, indeed presumptuous, to seek to act as a sort of court when a violent civil war is raging in, for example, Angola or Ethiopia, claiming countless victims and leading to appalling suffering — we all know of these events. I believe, however, that there is a second principle which should be defended by the Community, namely the peaceful solution of conflicts and the renunciation of the use of force. We expect — and here I sharply disagree with much that has been said today by members of one group ...

**Mr Fellermaier.** — *(D)* From a conservative Christian Democrat that is not in the least surprising!

**Mr Klepsch.** — *(D)* ... Mr Fellermaier, it is sad to see how the level of this debate is being lowered.

**Mr Fellermaier.** — *(D)* Not at all, Mr Klepsch, you are a conservative Christian Democrat after all. Take it as a sincere compliment.

**Mr Klepsch.** — *(D)* My dear Mr Fellermaier, each of us shows the stamp he wishes to impose on this debate by the contributions he makes to it.

I should like to mention only one point in this connection. To my regret, there have been those who

## Klepsch

have advocated introducing arms to certain areas rather than ensuring that no arms are sent at all. I am well aware that the presence of the Cuban foreign legionaries, as I am kind enough to call them, has already led to the oppression of large sections of the population in a certain African country, and if this situation arises elsewhere — and I am interested to hear what the Somali government has to say on the subject — I am not prepared to act as if this were not happening at all. Such people must be described as they deserve. I am therefore not for a one-sided approach, and in a debate on cooperation in foreign policy I am opposed to this total distortion of perspective.

My position on all these questions is quite clear. We Christian Democrats take the view that it is right for the European Community to assist in the implementation of human rights, that it is right for the Community to work towards the renunciation of force and the peaceful solution of conflicts. We also take the view that it is right for the Community to help to resolve the social tensions arising not only between groups of different colour, but also between different ethnic groups in countries throughout the world, by contributing towards the development of the areas in question, following the approach mapped out for us by the Lomé convention.

On behalf of my group, I would urge Mr Simonet to make every effort to continue the development of fuller cooperation in foreign policy. In our view, fuller cooperation in this field also implies further development on the institutional plane, and I should like to emphasize that for us fuller cooperation also means that we in this House hold more frequent discussions with the Council on the major aspects of foreign policy.

For us, the Christian-Democratic Group, today is an opportunity to take stock and to say that the expectations which we attached to the summit meetings and to the cooperation of the foreign ministers have not yet been realized to extent which we had expected, hoped for and demanded. We believe that further progress must be made along the road described in Mr Tindemans' report — to quote a document which in principle has been approved by the heads of government — and we shall certainly advocate that the Community countries show the greatest possible spirit of cooperation. It is our hope that we will in future be able to agree on common policies in the United Nations. It is our hope that the proven cooperative process — for so it may legitimately be called in view of Helsinki — will be continued at the European conferences, at the follow-up conference in Belgrade and on other occasions. Mr Simonet, we wish you every success. We know how frustrating it is that the presidency of the Council is of only six months' duration. It is no secret that my group would prefer the

presidency to last for a year, as the Council's activities could then be more effectively monitored. We are glad, however, to see how energetically you have set to work and we hope that in your period of office you will enjoy the success which energetic action deserves.

*(Applause)*

**President.** — I call Mrs Iotti.

**Mrs Iotti.** — *(I)* Mr President, ladies and gentlemen, I wish to thank Mr Simonet for his statement and for pointing out how much progress has been made in recent years since the decision was taken on political cooperation.

Having said that, however, I should like to add that there has been a conspicuous lack of progress when we look at the development of world affairs. The world is still ruled — and who knows for how long by the iron logic which divides it into two blocs dominated by the great powers.

If the Community really wants to have some say in world affairs, it must concentrate its efforts on overcoming this situation and rising above the rival blocs, because this is the only way we can find the room we need to renew our role in the world with all the influence which is the heritage of our history our way of life and our strength.

In this context, I do not quibble with Mr Simonet's statement but I do want to say that I feel that the manner in which he summed up the Community's activities at the Belgrade Conference was just a little narrow. He told us that there been frequent contacts with a number of states which signed the Final Act at Helsinki, in particular with the members of the Atlantic Alliance and the non-aligned countries. I am fully aware of the ties involved by virtue of the Member States' membership of the Atlantic Alliance. However, I feel that the courage we have to show in establishing close relations with everyone — and I mean everyone — is essential if we are to overcome the mistrust which others have of us and which is an undoubted hindrance to the full potential of our actions in world affairs.

I also want to say that I am a little puzzled by the tone of this debate. For example, I disagree with Mr Bertrand, not for his comment on procedure — which I feel is fairly insignificant — but rather for the content of what he said. Mr Bertrand, we are living in the year 1977. If you refer to the Berlin Wall, as you did, in the same way as people referred to it in 1961 when it was put up, and if you speak of Christianity as being a form of western civilization, this is mere propaganda and you have not understood how things really are. This is why I disagree with you. If we revert to this line of thought, I am convinced we shall lose our chance of becoming a genuine power in the world. There is no doubt — and history will bear me out on this — that the *Ostpolitik* of the former Social-



Iotti

Democratic Chancellor of West Germany opened a new page, not only in the history of the world, by removing from Europe the centre of conflict between the two power blocs, but also in the history of Europe, by providing the Community with the chance to play a part of its own on the international stage. We must never forget this, and we must encourage a situation whereby the problem of the Berlin Wall can also be raised. This situation can come only from *détente* and from tangible efforts, and not from propaganda which would only set us back in time.

Having said my piece to Mr Bertrand, I should like to say that the most noteworthy part of Mr Simonet's statement concerned the Middle East and South Africa. As for the statement of June by the Nine Member States of the Community, I am delighted that Mr Simonet emphasized the various points in this statement as it is, in our view, a useful contribution to the Middle East debate.

Let me now turn to the problem of Africa where we are faced, ladies and gentlemen, with a situation which embraces the entire African continent, from north to south and from east to west, and which therefore has a decisive impact on world affairs. It has been said that spheres of influence are being created. Let me speak quite frankly: I, too, am worried about what may be the outcome of certain events. But we cannot kid ourselves that spheres of influence did not exist before recent events. They existed all right. Think, for example, of what happened in the Congo when it became independent, or of recent events in West Africa. We all know how things are, and it is no use trying to ignore them. In any case, when things are stirring in a continent of this importance, with all the deposits of raw materials which it possesses, we cannot fail to realize that it immediately becomes a magnet for all the great powers — and for the powers in general — which try to interfere in some way. This is the situation in which the European Community has to play its part. In this connection, I am in entire agreement with what Mr Fellermaier said at the beginning of this debate. We have to go to Africa — as we shall shortly be doing for the forthcoming Lomé Conference — with a trump in our pocket, namely, our stand on *apartheid*. This stand will win us the regard of the peoples of Africa, since it is one which respects their basic rights. I also feel it would have been a good thing if Parliament, as suggested by Mr Sandri earlier, had given its blessing to the delegation by voting its approval of the Community's policy in support of freedom, independence and self-determination for the people of black Africa.

In closing, I want to comment on something which Mr Simonet said towards the end of his speech. He said that if we stood back somewhat in order to view the process of political cooperation in Europe, we

could see that it was the result of both internal and external forces. I fully comprehend what he was saying as regards the external forces. Naturally, the people with whom we have links by virtue of association agreements — through the Lomé Convention, for example — want Europe to play a role in world politics. But I am not sure that the forces within the Community are so strong. Perhaps these forces will be given a boost by the direct elections, which I hope will be held soon. What I feel has to be stressed is that the European Community must make its presence felt in the world today.

To repeat what I said at the beginning: the world is still ruled by opposing power blocs, but there must be an end to this. The aim of our political cooperation should be the increasing independence of Europe, because this is the only way to go on giving full expression to the values of our civilization.

(Applause)

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

Mr Glinne. — (F) Mr President, with reference to political cooperation among the Nine, I should like first of all to ask a question about continued trading with Rhodesia. The UN committee responsible for monitoring the economic sanctions against Rhodesia has, since August 1973, suspected Gabon as being the clearing house for illegal trading.

The United Kingdom Government submitted a first detailed note to the committee in November 1975. While implicating Gabon, the report also revealed the collusion of European airline companies with the Rhodesian company, Air Transafrica, or with other 'front' companies such as Afretour, which is a kind of offshoot of Air Gabon. In January 1976 a second British note was presented, giving details about the involvement of aircraft from Belgium and Luxembourg, about the collaboration of Sabena and Air France, and about the European legs of various operations and the people involved. On 26 October last the United Kingdom submitted another note, this time to the Security Council — which rather unexpectedly now counts Gabon among its members. This note again implicates not only Gabon but also Belgium, France, Luxembourg, the Netherlands and Zaire. A considerable network, some links of which have been discovered by the press in Brussels and Ostend, has been in operation for some time and is apparently still a lucrative source of foreign currency for Rhodesia.

I now come to my first question: do the ministers responsible for political cooperation in the Community intend to take any action in the light of the diplomatic notes submitted by the United Kingdom, in particular the note of 26 October last?



## Glinne

I want next to go on to the subject of apartheid. Apartheid is a principle designed to establish for all time — or so they claim — relations between black and white in South Africa. But industrial development and economic problems in South Africa are such that the actual working of apartheid is not only abhorrent in human terms, but also illogical. This is why the system is not only condemned by the World Council of Churches but also regarded as absurd by several leading businessmen, including Mr Oppenheimer. It must therefore be attacked on three fronts simultaneously: ethical, moral and humanitarian. Luckily, this is the approach of those who are inspired by both Christian and rational thinking.

We shall have to be consistent in this matter. May I ask the President-in-Office of the Council if the time is not right for us to break off cultural ties between South Africa and the EEC — this being done in the context of political cooperation — or at least those Member States which have such cultural agreements? There is nothing more morally incompatible than culture on the one side and the concept of apartheid on the other. The cultural agreement between the Netherlands and South Africa is practically broken, and there is talk of a similar move in Germany, but the situation as far as Belgium is concerned is very unclear at the moment. In my opinion, our action must be consistent with our moral condemnation.

I said just now that apartheid must also be criticized for being illogical on economic grounds. I should like here to congratulate the Council of Ministers on its decision regarding a code of conduct. But at the same time I am aware that the decision of 20 September introduced no more than a voluntary code, and that it is up to each foreign minister to persuade the businessmen and union leaders in his own country. We could decry the fact that this kind of approach is still too voluntary and no more than voluntary, but let us acknowledge the major step forward which has been made and congratulate the Community on its decision — which Mr Simonet mentioned — to forward the document to the OECD countries and to other organizations in the hope that the example of Europe will be followed.

I must point out, though, that the European example is not entirely original. In North America, black pressure or liberal and progressive opinion in general had already encouraged a small but significant number of firms to introduce the measures outlined in the code of conduct.

I should like to give a very brief summary of the provisions of the code. Firstly, relations within the firm. It is extremely important that black workers, like their white colleagues, should have access to the system of collective bargaining. It is extremely important that we urge that every effort be made to ensure that black workers have the right to form and to join trade

unions. Anyone who knows anything about the situation in South Africa knows that, under the system of apartheid, the whites are urban dwellers, apart from farmers using exploited labour. Alongside the white town dwellers, the blacks are regarded as rural dwellers and are only allowed near towns or in industrial areas in accordance with the strict needs of a white-run economy. Only male workers, cut off from their families, are given residence permits. Without these, they are illegal residents and can be expelled, as has just happened at Modderdam near Cape Town. An important aspect of the code of conduct drawn up by the Nine is that the system of migrant labour is regarded as an instrument of apartheid, with the result that the non-white citizen is prevented from seeking and securing a job of his own choice. This has tremendously serious effects in social and family terms.

Another important aspect of the code of conduct is its absolute insistence that black workers' wages be raised. Mr Broeksz referred to this point. Paying only the absolute minimum required for survival is an insult to the whole of mankind. Another important feature is the code's recommendations on wage structures and internal promotion for Africans, as well as their incorporation into the social security system.

Other major recommendations cover desegregation of workplaces and measures concerning the implementation of the code of conduct. The parent companies will have to publish an annual report on the progress achieved since the code was recommended. The number of African workers who have benefited as a result of the code will have to be made known, and the Community governments will review each year what has been done and what remains to be done.

Mr Simonet, I should like you, as President of the Council, to consider a special publicity campaign to promote the code of conduct. It is not enough for it to be known to one or two governments and embassies, or by organizations of employers or workers. In my opinion, it is highly desirable to get this code across — even though there are still one or two aspects which need tidying up, so that it can be made known especially to people in the Republic of South Africa.

In closing, I just want to say that the desire of the Socialist Group — as both Mr Fellermaier and Mr Broeksz pointed out — is to avoid any share of responsibility on the part of the Community for the preservation of an abhorrent system. Our aim is to change things in that part of the world, while there is still time, so that the right to live can be guaranteed to every racial group, including the whites. We want to encourage the birth of a multiracial democracy, and I should like to use this opportunity today to congratulate all those among the white population of South Africa who have accepted this challenge. I was very pleased to note the progress made by the Progressive

## Glinne

Party, led by Mrs Soesman, and to see that even among the Afrikaners there are some enlightened people fighting the political reactionaries.

Mr President, we sincerely hope that the European Community will continue along the path indicated by Mr Simonet. In reply to a comment made by a spokesman for the Christian-Democrats, let me say, together with Mr Broeks, that we are not concerned solely with those countries where an oppressive white regime is in power. Look at the record and you will see that the Socialist Group was the first to express alarm at the situation in Uganda, Burundi and elsewhere. We are just as horrified at present events in Ethiopia as we were at the extreme feudal system of the earlier government. While there is still cause for concern in Angola, and while we still hear from some quarters criticism of foreign interference, let me say that if South Africa had kept its forces out of the south of Angola, events might well have turned out quite differently.

(Applause)

President. — I call Mr Simonet.

Mr Simonet, *President-in-Office of the Council of Foreign Ministers*. — (F) Mr President, although I have already given an answer to a number of questions on South Africa, there are two or three which I should like to consider again in view of the parallels which various speakers have drawn between the situation in South Africa and elsewhere.

Firstly, let me thank the various Members of Parliament who were kind enough to congratulate me on the report which I presented.

I should now like to deal with the points I referred to a moment ago.

It is my opinion that the policy of the Community and the position of this Parliament would be much clearer if we could distinguish as clearly as possible the differences which exist between South Africa, Angola, certain Eastern European countries or Cambodia.

The situation in South Africa is quite unique, and we have no intention here of setting ourselves up as moral censors or of issuing certificates for democratic conduct or respect for basic human rights. If this were the Community's aim, we should exercise our authority in almost total isolation within the circle of democratic nations because we should have to increase the number of accusations and condemnations considerably. We know — and this has been made quite clear — that there exists a fundamental difference between the ideas which influence our way of life and govern our institutions and the ideas which, unfortunately, are the order of the day in many other countries. It is nevertheless true that we maintain perfectly normal relations with several of these countries.

What reasons are there for the position which the Community has adopted and which has been approved by most of the House, but which one Member has violently criticized?

Let me say again that it is not our job to assess how far any particular country respects basic human rights, once a certain minimum level has been attained. When this minimum level is not attained, it is right that we should point out this fact and that we should take measures which may well be considered inadequate but which nonetheless express the Community's outright repudiation of what is going on in the country, of the regime and its leaders, and also of those who profit by it. This is what we did in the case of Uganda.

As far as Angola and certain other countries are concerned, our aim is not to interfere directly in the internal affairs of these countries — and we said this at the time when Cuba's actions could have endangered other countries and therefore peace in the whole of Africa — but basically to make clear our desire to stop the foreign presence in certain countries from growing or spreading. With the countries of Africa, including Angola, we want to establish some form of collaboration whereby these countries will eventually realize that it is to their advantage to avoid falling under the influence of one or other of the power blocs.

As I said just now, the situation in South Africa is quite unique. It is unique because we are not trying to advocate any particular political line or encourage certain moral values. We are doing this, too, but it is not the primary aspect of what we are doing. Inter-racial relations in South Africa today have bred certain forces. What we want to avoid is an explosion of these forces since the consequences would be devastating for the country itself, its inhabitants, and for all our relations with it.

It was Mr Jensen, I think, who explained to us that this could affect our trade with South Africa. But just imagine how much trade would be affected if 4 million whites were battling with 12, 13 or 14 million blacks, with both sides getting mysterious supplies of arms and ammunition through the most varied channels and with no hope of a successful embargo. I think I can tell Parliament what I feel about this.

We certainly do not pretend to be the judges of everything good or bad that is done in the world, or even in Africa. I feel it is our duty towards our citizens to exert a certain amount of pressure in the way I have mentioned, in order to make the white minority in South Africa realize that it cannot avoid making a number of very painful decisions.

We understand the difficulty involved — which is why we avoid menaces and threats of extreme action — but we believe that it is in the interest of everyone if they understand which way to go. This is not the

## Simonet

direction they have followed until now and which they seem more determined than ever to follow, if we are to judge by the measures introduced a few weeks ago.

Political cooperation has also been affected in the most varied fashion by another group of problems. Some people would like political cooperation to be absorbed in some way by the Community apparatus set up by the Treaty.

It is clear that the desire of every European should be to see all distinctions disappear one day — and they are already somewhat artificial in some cases — between the collective measures of the Member States in the context of political cooperation and the joint decisions which they must take together in order to do various things together.

I am not going to answer as an answer would be too simple, and in any case I have already qualified it with what I have just said. This is that the machinery and operation of the Community are governed by the Treaty and the decisions which follow from it, whereas in the case of political cooperation the Member States, while retaining sovereignty in this field, have freely agreed to confer and to arrive sometimes at joint decisions. This is one way of looking at it, and although I am not going to use this argument, it is obvious that any of the Member States is ready to use it when it feels that for the time being the Nine have conceded enough to the Community. These States have no intention of going any farther and widening the sphere of Community action to political matters or decisions on foreign policy.

In spite of everything, however, and despite the attraction of widening or trying to widen at a future date the sphere of Community action to include foreign policy and the coordination of the foreign policy of the Member States, there is quite a serious risk. Let me explain. Anyone who follows political events in the Member States will certainly have noticed that political cooperation is a kind of roundabout way of avoiding the degree of Community commitment which is essential if European integration is to make any progress. In a particular Member State recently there was an extremely interesting debate during which it became clear that those who had previously been against the Community were now right behind, or at least not opposed to, the idea of political cooperation, especially if it were to develop in an enlarged Europe. What we must avoid — and I am sure it is not the intention of Mr Bertrand and of those who shared his point of view — is that when there are attempts to develop a theoretically more Community-minded approach to political cooperation, we must not provide a loophole for those who are not really committed to the Community idea with all it entails in terms of economic integration or — once we have gone far enough along the road to such integration — to the development of a centre for joint political decisions which would become absolutely essential as a result of the extent of economic integration.

I am sure you all remember an idea which, although it has been shelved for the moment, has never — as far as I am aware — been formally abandoned. The idea was that at some time or other a political secretariat would be set up to deal with political cooperation on a more organized and formal footing. At the same time it was feared — and I believe this fear justified — that a political secretariat might take over a number of decisions or procedures which are the province of the institutions set up by the Treaty of Rome.

In reply to this part of Mr Bertrand's speech, I want to say that of course we must make every effort to increase political cooperation, but for the moment and in the foreseeable future I am going to say no more than what is contained in my report. In other words, I am going to add nothing to what was said in Luxembourg and Copenhagen. Instead of thinking up some new system of extending political cooperation in the Community field, I shall make it my daily task to implement as faithfully as possible the agreements which were made in Luxembourg and Copenhagen.

Let me say at this point that, as far as I am aware, there is nothing in the area of economic and monetary union which justifies our thinking that it depends on political cooperation. Economic and monetary union is definitely a Community affair, and even if all or a major part of the resolution adopted in March 1971 has been overtaken by the economic and monetary developments which have occurred in Europe and the world in the last six years, the 1971 resolution has never to my knowledge been rescinded by a subsequent decision of the Council of Ministers. It forms a basis of Community action.

I feel here that we ought to congratulate the President of the Commission — even though Mr Bertrand feels he could have chosen a place more in keeping with the dignity of Parliament — on taking up the challenge of monetary union and reminding the Member States that it is pointless to rely almost entirely on increased political cooperation if we want to maintain a genuine Community. This is what I said about political cooperation. We must also seek the economic and monetary basis of this Community with all that this means in terms of collective responsibility in these two areas.

A number of questions were asked about Zaire and ties with South Africa. There are obvious commercial ties to the extent that it is to our own advantage to maintain good trade relations with South Africa. There is no doubt that we have a number of interests in common, but it is precisely because of these interests that we feel things have to change, because these interests would be jeopardized even more or even fundamentally altered if the situation were to develop as it seems likely to do and if we were to make no attempt to influence events.

## Simonet

As far as Zaire is concerned, this country has never been mentioned in the context of political cooperation. It has never been considered unless, perhaps, I have mentioned Zaire when informing my colleagues of something at a meeting of the Council or the Conference of Foreign Ministers. It is true, however, that Belgium is currently having talks with Zaire to see what aid can be given to the country. It is not the Community as such that we have kept informed, but merely several countries which the Zaire government itself indicated it wanted to bring into the scheme to revitalize the country. This plan will be outlined by President Mobutu in a speech on 24 November.

This takes me on to my reply to what Mr Bertrand said about Rhodesia. If I understood him rightly, Mr Bertrand regrets that the Community or the Nine together have not played a more active role in the Rhodesia problem and that they have merely given their stamp of approval, after the event, to what had been done by other countries, first and foremost the United Kingdom. In my view, a kind of political choice is involved here, and it may not even be simply a question of political choice, but one of philosophy. What do we want: a Community which must take the place of each Member State as soon as a major problem arises, or a Community whose chief aim is to make a better collective job of what each individual Member State could do on its own? Having chosen the particular kind of Community we want, are we going to prevent a Member State from having special relations with a non-member country and suggest that the Community take on all these problems? I do not think so.

I believe instead that Belgium, which I have just mentioned, is equally justified in negotiating alone with the particular country with which it has had a special relationship. If any action is then to be taken at a Community level, Belgium can refer the matter to the rest of the Nine. Rhodesia is a similar case. It is undeniable that Rhodesia was and is a major political headache for the United Kingdom. It strikes me as normal that the Community should be kept informed of what the British are doing, and that the British should have supported its action instead of calling in the Community to look for a collective solution to the problem. Personally, I can see nothing wrong in this.

As for Lord Reay's suggestion that African countries might call on us for help, let me say that the Ministers of Foreign Affairs stated at their April meeting — and their position has not changed since then — that they were ready to protect African states against the risks involved in being divided between the rival ideological blocs, and thus falling into one sphere of influence or the other. In other words, we are ready to extend help to those states which ask for it by acting as mediators or by some political means, but it is not our intention to adopt some form of gunboat diplomacy; do not think that Europe has any desire to act along these lines. If the unfortunate situation arose whereby a state had to resort to military interven-

tion, it would be for a very definite reason and because human lives were at stake. But there is no place for military intervention in Community thinking.

Turning now to the International Labour Organization, we have already expressed our regret at the American decision, for reasons connected with domestic politics. The first reason for our attitude is that the decision threatens to undermine an institution which with all its shortcomings — and these were rightly criticized by more than one American politician, although we never thought that this would lead to an American withdrawal — is still a valuable forum for discussion between workers and employers. There is no doubt that this will be a blow to the Organization, and our second reason is that we feel it could set a dangerous precedent which might be repeated elsewhere in the case of some other international organization. Finally, we are not absolutely convinced that the best way of rectifying a trend you disagree with is to leave with the words, 'if things get better, we shall be back'. You know when you are leaving, but you never know how or in what circumstances you are going to get back.

Lastly, let me say to Mrs Lotti that the independence we are seeking does not necessarily mean isolation or the creation of a third power. There are various types of independence. There is a kind of independence which has been thought up in various European countries and which is based on the misconception that a country or nation can find its own salvation, or that it can pursue national interests which are narrowly defined to varying degrees. Naturally, we are in favour of an independent Europe, as we are trying to avoid a situation where we are faced with choices which would complicate or even undermine its existence. But we do not favour the kind of independence which would mean that Europe had to go its own way without considering the pressures which every country feels at the present, the increasingly inter-related pressures of technology and international trade. In any case, the widespread concern over protectionism is clear proof that everyone is aware of the existence of certain types of independence which are unthinkable in a world which is becoming increasingly interdependent.

What we want to do, at European level, is to be able to express a European point of view. But we are more than aware, in my opinion, and all share the conviction that a European point of view — if Europe is to fulfil its task and really serve the interests of its citizens — cannot be decided solely on the basis of our interests, our values or our concerns. It can only be a Europe which clearly states how it sees and tackles the political problems of the world, and which does this by cooperating more and more closely with countries with the same system of government and with different systems of government which vie for the interests, allegiance and convictions of mankind.

*(Applause)*

**President.** The joint debate is closed.

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

The House will rise.

*(The sitting was suspended at 1.10 p.m. and resumed at 3.05 p.m.)*

IN THE CHAIR: MR COLOMBO

*President*

**President.** — The sitting is resumed.

#### 6. Question Time

**President.** — The next item is the questions to the Foreign Ministers meeting in political cooperation and the Commission of the European Communities (Doc. 374/77), in accordance with the provisions of Rule (47a (1)) of the Rules of Procedure.

I would ask Members to put their questions in strict conformity with these rules.

We shall begin with the questions addressed to the Council. The President-in-Office of the Council is requested to answer these and any supplementary questions.

✓ I call Question No 30 by Mr Cousté :

In the context of the Community's efforts to develop a system of inland waterways and in the light of the generally recognized need to complete at an early date the wide waterway network linking the North Sea, the Mediterranean, the Atlantic and the Ruhr basin, does the Council intend to make a financial contribution to these European projects by means of a direct grant from the Community budget, direct subsidies, loan guarantees and interest rebates, in particular to build the new Rhine-Rhône canal?

**Mr Simonet, President-in-Office of the Council.** — (F) The Council has not received a proposal from the Commission regarding specifically the granting of financial support to the projects to which the honourable Member refers.

There are in fact no arrangements under the common transport policy for Community contributions to the financing of infrastructural projects.

Nevertheless the problem of arrangements of this nature is the subject of the Commission communication to the Council of 5 July 1976. This communication includes a proposal for a Council decision instituting a consultation procedure and setting up a committee on transport infrastructure and also a proposal for a Council regulation concerning aid to projects of Community interest in the field of transport infrastructure.

Following the Opinion delivered by the European Parliament, the Commission has just amended these proposals. As my colleague, Mr Chabert, announced at

a meeting on 17 October 1977 with your Committee on Regional Policy, Regional Planning and Transport, the Presidency intends to submit the first of the proposals to the Council for approval at a forthcoming meeting on transport questions.

**Mr Cousté.** — (F) I thank the Council for its reply and note that the Commission's new proposals on the consultation of technically interested parties and particularly on aid to projects of Community interest are already being dealt with, and that what has not yet been dealt with will be. The project for the Rhine-Rhône-Mediterranean-Atlantic link-up is one of importance to Europe and the Community and I am convinced that in due course we shall have the satisfaction of seeing it implemented.

✓ **President.** — I call Question No 31 by Mr Hamilton, for whom Mrs Dunwoody is deputizing :

Bearing in mind that 20 000 Gibraltarians have been effectively imprisoned since 1964; that Spanish workers have been deprived of the right to work in Gibraltar for all those years since 1964; that this is against the basic principles of the EEC, namely, the sanctity of basic human rights and the freedom of movement of all citizens; and in view of these circumstances, will the Council give an assurance that this problem *must* be resolved *before* formal discussions are begun with Spain on her application for membership of the EEC?

**Mr Simonet, President-in-Office of the Council.** — (F) It is not for the Council to adopt a position on relations between one of the Member States of the Community and a third country.

The attention of the honourable Member is also drawn to the fact that, pursuant to Article 237 of the EEC Treaty, the Council must await the Commission's opinion before adopting a position on the opening of accession negotiations with Spain.

**Mrs Dunwoody.** — May I say that that reply begs practically every important point in the question. To begin with, it is a very important moral judgment that there should not be deprivation of human rights of any of the members who are applying to join the Community. We have no desire to make the situation between Spain and the Gibraltarians worse. But I do hope that the Council will not ignore the political and the humane elements involving the Gibraltarians in this particular question. We do not ask you to adjudicate; we ask you to say very plainly that Gibraltarians are entitled to freedom of passage, the right to work under decent conditions, and that that must be accepted by the State of Spain.

**President.** — Since their authors are absent, Question No 32 by Mrs Ewing and Question No 33 by Mr Normanton will receive written replies<sup>1</sup>.

<sup>1</sup> See Annex.

## President

I call Question No 34 by Lord Bessborough :

Has the Council yet given a mandate to the Commission to begin negotiations with the aim of concluding a trade agreement with the People's Republic of China?

**Mr Simonet, President-in-Office of the Council.** — (F) In a letter dated 30 September 1977, the Commission submitted to the Council a recommendation concerning the opening of negotiations with the People's Republic of China. The Council will be invited to take a decision on this recommendation at its next meeting, i.e. on 21 November, and — given the progress made with the preparatory dossier — it is to be expected that the Council will be in a position to take a decision at this meeting. This being so, the Commission would then be able, immediately after this Council meeting, to address to the Chinese authorities an invitation to open negotiations.

**Lord Bessborough.** — In view of the importance which the People's Republic attaches to the totality of its developing relationship with the Community, and the forthcoming visit to Europe of the Chinese Minister for International Trade — which I think will be on the day following the Council Meeting — will the Council of Trade Ministers signify the importance which they attach to this relationship, possibly by organizing a Joint Meeting of the Council, the Commission, and perhaps Members of this Parliament, with the Community's Chinese guests, or by some other appropriate gathering? Would not the President agree that this agreement will be laying the basis of a long-lasting and, indeed, historic relationship?

**Mr Simonet.** — (F) It will not be difficult for whoever holds the Presidency of the Council during the visit of the Chinese Minister of International Trade to express his complete satisfaction and the high hopes which we have at the prospect of opening negotiations with China.

With regard to the negotiations themselves, once the mandate is given the Council will, of course, no longer be involved.

**President.** — I call Question No 35 by Mr Price, for whom Lord Brimelow is deputizing :

To ask the Council when it intends to grant a mandate to the Commission to extend the short-term arrangements for the export of agricultural products beyond 31 December 1977, especially in regard to arrangements for potatoes which constitute 30 % of all exports from Cyprus to the Community.

**Mr Simonet, President-in-Office of the Council.** — (F) In an exchange of letters dated 15 September 1977 between the Heads of the Cyprus and the Community delegations, following the negotiation of the EEC-Cyprus Additional Protocol, it was envisaged that the Community would make every endeavour to ensure

that negotiations with Cyprus in the agricultural sector took place in good time so as to enable the arrangements negotiated to come into force on 1 January 1978.

In order to achieve this objective, Commission proposals are currently under examination within the Council with a view to giving the Commission directives for the opening of the negotiations. Furthermore, to cope with the immediate problems of agriculture in the Mediterranean regions of the present Community, the Commission undertook to forward to the Council before the end of the year specific proposals, the general content of which it has already made known.

**Lord Brimelow.** — I thank the President-in-Office for that reply, which goes a long way to meet the intention of the question put down by Mr Price. I am sure that the President-in-Office and the Commission appreciate the difficulties of the growers, particularly of potatoes, in Cyprus, caused by the fact that these arrangements have to be reached at the last minute. The potato crop for next year is already planted. It constitutes 30 % of the exports from Cyprus to the Community and, as yet, the growers have no assurance that satisfactory arrangements will be made. I take note of the good intentions of the Commission and the Council, and I hope that everything will be in order before the end of the year.

**Mr Simonet.** — (F) I can assure you that we share this hope and that we shall do everything in our power to keep to the time-limits which you want.

**Mr Corrie.** — Can I take it that, when we talk about 30 % of all exports from Cyprus, are talking about the whole island and not just the southern half of the island?

**Mr Simonet.** — (F) It is not we who supplied those figures.

✓ **President.** — Since their authors are absent, Question No 36 by Mr Terrenoire and Question No 37 by Mr Hoffmann will receive written replies<sup>1</sup>.

At its author's request, Question No 38 by Sir Geoffrey de Freitas is postponed until the next part-session.

I call Question No 39 by Mr Caillavet, for whom Mr Pintat is deputizing :

Can the Council give some indication of the political and technical problems which so far — and notably at its October meeting in Luxembourg — have prevented it from implementing the decision of principle on EEC loans adopted by the European Council six months ago in Rome? Is not this delay all the more regrettable since these loans could well give fresh impetus to joint policies and programmes?

<sup>1</sup> See Annex.

**Mr Simonet, President-in-Office of the Council.** — (F) The proposals referred to by the honourable Member and contained in the Commission communication on investment and borrowing in the Community were submitted directly by the Commission to the European Council. At its meeting of 29 and 30 June 1977 in London, the European Council invited the Council to examine the communication as soon as possible.

The Council has not yet completed this examination. At its meeting on 18 July 1977, it invited the Monetary Committee and the Economic Policy Committee to give their opinions on the communication. These two committees have since submitted interim reports and the Council invited them, at its meeting on 17 October, to submit their final reports in goodtime to enable it to act on the matter at its meeting on 21 November 1977.

**Mr Pintat.** — (F) I thank the President-in-Office for this reply, which sheds some light on the points raised by M. Caillavet. With these borrowings it is intended to grant loans to undertakings or Member States with balance of payments difficulties caused in particular by the rise in the price of oil products. On the basis of the President's conclusions, would it not also be possible to plan infrastructure projects common to several countries and financed by loans repayable over several years' budgets of the Community in order to lessen the burden on a single budgetary year?

**Mr Simonet.** — (F) I never considered that the Commission's communication proposed the granting of additional short-term financial aid to Member States faced with particular balance of payments difficulties. From the outset — at least that is how I recall the letter and spirit of the Commission's communication — the intention was, on the contrary, to provide the Commission with the means to intervene directly in the financing of infrastructure projects likely to bring about the reorientation of the European economy and its national elements. In other words, I would say that the Commission's communication and the purpose of the loans which it suggests or which it is proposing to the Council are exactly what the honourable Member wishes.

**Mr Prescott.** — Does the President of the Council accept, in principle, that the Commission's desire to raise money to help in infrastructure development and investment is really justified, when in most countries there is an abundance of liquidity rather than shortage of money?

**Mr Simonet.** — (F) In reply to the first part of Mr Prescott's question, I think that the Commission's idea is a good one. Mr Prescott's second point is

correct. There is currently an abundance of liquidity; it is projects which are in short supply. And it is precisely because there are not enough investment projects that we think that a certain number of initiatives could be taken on this question at European level, and that we think that the Commission needs the means to gather together this liquidity in order to pursue the industrial policy for which it has — rightly, in my opinion — assumed responsibility.

**Mrs Dunwoody.** — Would the President-in-Office of the Council not agree that this is a slightly dangerous political tack? On what basis is he to invest in certain projects and not in others? Frankly, would it not be better, in view of the experience we have had with the working of the Social Fund, to look at means of expending our existing monies efficiently, rather than seek to expand into other funds without the machinery to handle them efficiently?

**Mr Simonet.** — (F) I think that it is a matter of choice. Those among us who consider that industrial development and sectoral restructuring are not a matter for public authorities — one may choose to take this view — can reasonably argue that it is dangerous to entrust a supranational public institution with an industrial policy at European level and for this reason refuse to give it the funds necessary to carry out such a policy. A few of us — and this is not the Council's opinion, because it has not yet stated its position, but my personal opinion — consider that the Commission would be wrong not to intervene in what is after all one of the great undertakings of our time, mainly the adaptation of the European economy to the changes which have taken place in the international economy, i.e. to bring about the development of new sectors and the modernization of sectors severely affected by international competition. But I recognize that it is a choice of principle which has to be made here and to which two different replies can be made: you can be European and liberal, i.e. a supporter of free trade, and consider that public authorities should have no say in industrial life or in the formation of industrial structures; you can be a Socialist opposed to the Community and thus consider that the Commission of the European Communities should not pursue a policy of this kind. Or like me, you can be a European and believe that public authorities must have a definite say in such matters, and that, I repeat, is why I gave my support to the Commission's draft.

**President.** — At its author's request, Question No 40 by Mr Dalyell will be answered at the December part-session.

Since its author is absent, Question No 41 by Mr Osborn will receive a written reply<sup>1</sup>.

<sup>1</sup> See Annex.

## President

Question No 42 by Mr Nyborg will not be dealt with, but its author will be entitled to speak immediately after the representative of the Council in the debate on the oral question with debate on the same subject which is on today's agenda.

At its author's request, Question No 43 by Mr Edwards will be answered during the December part-session.

We shall now consider the questions addressed to the Foreign Ministers of the nine Member States of the European Community meeting in political cooperation:

I call Question No 44 by Mr Fletcher-Cooke:

to ask the Foreign Ministers if the Member Governments of the Nine are prepared to establish, in the first instance for a five-year experimental period, joint consular facilities for the Nine at Chieng-Mai (Thailand) in the building at present used as a Consulate by the British Government.

**Mr Simonet, *President-in-Office of the Foreign Ministers.*** — (F) Since the question of a joint consular representation of the Nine at Chieng-Mai in the premises of the United Kingdom Consulate was not discussed by the Foreign Ministers meeting in political cooperation, the honourable Member will understand that I am unable to give him a reply.

**Mr Fletcher-Cooke.** — Would the Foreign Ministers take this suggestion sympathetically? If, as I believe to be the case, Her Majesty's Government will be unable in future to support alone consular representation in these important but somewhat remote Asian, African and South American areas, owing to the great expense in modern times of their upkeep, would the Foreign Ministers consider the imaginative experiment, of which I think Chieng-Mai would be a very suitable case, of having a joint European representation, in which the costs can be shared among the Nine and which, given a little understanding, might make a great success of a European experiment that would benefit all of us? If the time comes—as I think it will do soon—for this beautiful and historic building to have to be turned over, will the Ministers take my suggestion seriously?

**Mr Simonet.** — (F) The Member States are opposed in principle to the suggestion put forward by the honourable Member. The proposal will therefore be discussed neither in the Committee on Political Cooperation nor in the Conference of Foreign Ministers.

**President.** — Since its author is absent, Question No 45 by Mrs Ewing will receive a written reply<sup>1</sup>.

<sup>1</sup> See Annex.

The first part of Question Time is therefore closed.

I find it extremely regrettable that since the authors of so many questions were absent, we have not used up all the time set aside for questions. The House will therefore have to suspend its proceedings now in order to vote on the motions for resolutions at the appointed time of 4.30 p.m.

I call Mr Yeats.

**Mr Yeats.** — Mr President, I would suggest that it is open to Parliament to amend its agenda so as to proceed with our agenda between now and 4.30 p.m. If, Mr President, you would suggest this to us, I have no doubt we would be inclined to agree, particularly in view of the time already lost this morning. We could proceed with the business until 4.30 p.m.

**President.** — I note your proposal.

I call Mr Prescott.

**Mr Prescott.** — Mr President, in view of the remarks you legitimately made about the attendance of Members for questions, I feel bound to point out to you that at least three—maybe four—of the members of my delegation, the Labour Party members of the Socialist Group, were unable to be here because of the failure of our opposite numbers in the British Parliament to operate the pairing system. We do apologize on their behalf.

*(Cries of 'Hear, hear' from certain quarters.)*

**President.** — I do not see the relevance of this problem.

*(Laughter)*

I call Mr Broeksz.

**Mr Broeksz.** — (NL) Mr President, the German Members of our group have a party conference in Hamburg, and many of them will have to attend because certain matters are to be discussed which deeply concern them. It is not something which is likely to recur often. But as long as we have a double mandate, it is likely to happen from time to time that Members are absent because of proceedings in their own parliaments. That can happen to you, Mr President, as well as to any other Member of Parliament. I hope that in this case you will take account of the fact that both the British and the German Members happen to be absent.

**President.** — I call Mr Simonet.

**Mr Simonet, *President-in-Office of the Council.*** — (F) Mr President, I should like Parliament to continue its proceedings. I assume that we all have a certain number of things to do, either here or in our countries. I think that suspending the sitting, simply because some Members cannot attend does precious little to improve Parliament's image. I therefore feel that it would be better to continue.

**President.** — I call Mr Osborn.



**Mr Osborn.** — Mr President, firstly, there is no question of breaking pairs and my honourable friends would support me in this (*murmurs from certain quarters*). Secondly, because questions have gone so rapidly, it so happens that I arrived just after you reached Question No 41. It is a matter of topical interest; is there any chance of my asking that question now? I would be very pleased if you would reconsider your original decision.

**President.** — What is done is done; we are now concerned solely with the decision as to whether to continue our proceedings.

I call Mr Delmotte.

**Mr Delmotte.** — (*F*) Mr President, a proposal has just been made by the honourable Member. I should like you, Mr President, to ask Parliament to go along with it. We should prefer to carry on immediately without wasting our time until 4.30.

**President.** — I therefore consult Parliament on whether we are to proceed according to the agenda, i.e. the vote on the motions for resolutions and then the debate on the report by Mr Fletcher-Cooke on acts of terrorism.

I call Mr Radoux.

**Mr Radoux.** — (*F*) Mr President, perhaps I misunderstood but I thought that you were asking whether we would continue our discussions and suspend them at 4.30, when the votes are due to be held. I may have misunderstood, but that is my proposal.

**President.** — Mr Radoux, the problem is that the Members who wish to take part in the debate on the report by Mr Fletcher-Cooke are not all present.

I put to the vote the proposal to continue our proceedings with the report by Mr Fletcher-Cooke, it being understood that at 4.30 p.m. this debate will be suspended so that we can vote on the motions for resolutions.

That is agreed.

### 7. Terrorism in the Community

**President.** — The next item is the report drawn up by Mr Fletcher-Cooke (Doc. 372/77) on behalf of the Political Affairs Committee on terrorism in the Community.

I call Mr Fletcher-Cooke.

**Mr Fletcher-Cooke rapporteur.** — Mr President, I beg leave to present the report and motion for a resolution standing in my name on behalf of the Political Affairs Committee on acts of terrorism in the Community.

The origin of this report is a combination of two motions for resolutions, one drafted and presented on behalf of the Socialist Group and another on behalf of the Christian-Democratic, Liberal and Democratic

and European Progressive Groups, and I have sought as far as possible to combine the two.

It is a delicate field, although a vitally important one, because in order to gain universal acceptance, which is what I seek, it is essential to distinguish between terrorism and the more traditional forms of dissent such as insurgence, resistance, rebellion — call them what you will. Apart from the extreme effectiveness of modern weapons, the feature of terrorism which distinguishes it, I suggest, from those more traditional forms of dissent is that the purpose of the terrorist is not to make a tyranny or dictatorship tolerant and more democratic, but to make a democratic society more tyrannical and more dictatorial. Insofar as it is possible to distinguish the motives of the recent terrorists in Europe, they are to force upon a democratic country measures in protection of its citizens, most of whom are totally innocent, measures of protection which will inevitably interfere with their liberty with the rule of law, with the normal proceedings of the courts and with fundamental human rights. The terrorist seeks to drive the democratic State into the position of an authoritarian and totalitarian tyranny, and that is what distinguishes the modern terrorist from the more traditional forms of dissent. At least I think so, but nobody really knows what the motives, the propaganda and the ultimate objects of the modern terrorist are, for they do not put out a logical or even an intelligible statement of their aims. There was a point a few years ago when some unfortunate Austrian minister was obliged to read some proclamation over the television or over the radio to the people of Austria as to the purposes of such terrorists, but the statement was such a farrago of nonsense that it could not have been intelligible to any of the audience at all. And that is as far as a statement of terrorist purposes has ever gone.

In this motion for a resolution, the Political Affairs Committee, after a good deal of discussion, has attempted to be short and not at all novel, in order to gain the maximum degree of assent. It was agreed that it would be wrong to ask for any new mechanisms, for any novel departures from the existing weapons at hand. There are a great number of conventions, international and European, already to hand and waiting to be used. There is the Geneva Convention of 1949 relating to protection of civilian persons in time of war, the Hague Convention of 1970 for the suppression of unlawful seizure of aircraft, the Montreal Convention of 1971 for the suppression of unlawful acts against the safety of civil aviation, the New York Convention, as it is sometimes called, on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents, and various resolutions of the United Nations General Assembly.

Perhaps more important than any of these is the European Convention on the suppression of terrorism. The main objects of this Council of Europe Convention

## Fletcher-Cooke

are to prevent terrorists evading extradition by pleading that their crimes are political offences and to require that contracting states should not refuse extradition of a terrorist. What that provides — and this is very important — is that if the domestic law of any country prevents it extraditing, it nevertheless has the obligation to try the terrorist itself. If it cannot or will not extradite, it must try the terrorist in its own courts. That seems to me a very important provision for the internationalization of this crime, for it is a crime similar to, if not worse than, the old international crime of piracy, which was dealt with in a totally different way from any other crime and the treatment of which should be transferred — and, indeed, transferred in enhanced form — to the international crime of terrorism.

As I have said, there is a plethora of these instruments ready to hand. All that is lacking is the will-power to grasp them — first to ratify them and then to use them. The Ministers of the nine Member States — particularly the Ministers of the Interior — have commendably taken counsel with each other: they meet and have met frequently on this subject. In the resolution it will be observed that we call upon them, and indeed urge them, to continue that work and also ask that that work shall be done by such meetings as are necessary in and with the presence of the Commission. We think that is an important feature of this resolution.

Two amendments, and as far as I know only two, have been tabled to this resolution. The first, tabled in the name of Mr Lagorce on behalf of the Socialist Group, reverts to a matter which was much discussed in the Political Affairs Committee, namely, whether we should condemn acts of terrorism that are taking place outside the actual territory of the Nine, albeit closely connected with nationals of the Nine. It seemed to us quite artificial and absurd to restrict it to acts of terrorism committed within the territory of the Nine. To take the recent case that is in the memory of all of us, it would be absurd to condemn the taking hostage of Herr Schleyer but not to condemn the hijacking of the aircraft in Majorca and the brutal killing of the pilot in Mogadishu, simply because Majorca and Mogadishu are outside the territory of the Nine. This would, instead of recognizing the international character of these crimes, merely purport to pretend that they were national crimes and nothing else.

The amendment in the name of Mr Lagorce seeks to alter the first indent, which at present reads: 'Noting with deep concern the increase in acts of terrorism committed in several Member States of the Community as well as outside the Community'; instead of the words 'as well as outside the Community', Mr Lagorce hopes to substitute: 'which may begin or be continued outside the Community'. As I understand that amendment, he is prepared to condemn consequential acts of terrorism that take place outside the Community if an act of terrorism has first taken place within the Community. If it is the other way round — I may

be doing him an injustice — he does not wish to condemn it. Mr President, that seems to me an almost theological distinction. If it has begun in the Community and continues outside, it is to be condemned, but if it has begun outside but is continued inside, the act of terrorism outside is not to be condemned. This is rather like the *filioque* clause which divided the Eastern and Western Churches for so long, and in my submission it is too thin and fine a line to be drawn in this matter. But, as I say, I may be doing him an injustice and we shall listen to the reasons for this amendment with great care. I would only conclude by saying that on that matter we did have a long discussion on the topic of the territoriality of the crimes to be condemned and the form of words now in the motion for a resolution was most carefully agreed between the various groups, and I would be loathe to depart from it at all at this stage.

The other amendment seeks to expand the first paragraph of the resolution itself by giving, really, examples of condemnation of the acts of other States who are not sufficiently active or helpful in holding the line against terrorists. There again, I have a good deal of sympathy with the amendment proposed by Mr Durieux and I shall listen with the greatest attention to his speech, but I would not like to depart, unless absolutely pressed, from the text which was so carefully agreed at more than one meeting of the Political Affairs Committee.

Mr President, this is a very grave threat to the whole of European society. It is a grave threat, because the people who are engaged in this extraordinary activity are well educated, very efficient and very rich, and that combination is a powerful and dangerous combination, and they show that they will stoop and stop at nothing, not even their own lives, in order to gain their absolutely incomprehensible ends. Therefore, I hope that this great Parliament will show that we are as resolute as have been the German Government and people in their determination at tremendous cost and risk, not to give way to this blackmail but to stand up for civilization and see that the right prevails.

(Applause)

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

**Mr Holst.** — (DK) Mr President, ladies and gentlemen, this motion for a resolution on terrorism in the Community is directed not only to our nine Foreign Ministers meeting in political cooperation but also to the Parliaments and Governments of the Member States and the Council and Commission of the European Community. Thus the European Parliament clearly hopes to persuade all the nations and institutions based on national constitutions or treaties to cooperate politically in connection with this very difficult problem.

## Holst

We are aware that our national parliaments have many difficult problems to deal with, but we also know that the problem currently under consideration is one of the most serious with which we have ever been faced. We feel that the political and historical conditions, and the background to terrorism are different in our nine Member States but we also know that the terrorist methods used have been practically identical in all areas. What do the terrorists want? Well, because they cannot gain any popular support for their viewpoints which I will call 'social-critical' rather than political, they want to break down the existing democratic structures in our society by means of fear, pressure and terror, by means of criminal acts of the basest kind. They hope that society will react to their deeds with harsh and restrictive acts and measures and that in this way they will be able to elicit a public condemnation of these measures and thereby gain public support since the people may then view their own situation in similar terms.

For this reason, Mr President, we in the Socialist Group take a very serious view and are greatly concerned about the recent developments in the various countries in connection with acts of terrorism. We have seen how countries in acute situations have been able to keep a cool head. We have seen how, in situations where the lives of innocent people were at stake, governments have been able to use all the legal instruments at their disposal to protect, clarify, assess and mobilize all the various democratic methods in the fight against the terrorist. I am thinking here in particular of the recent developments in West Germany. Thus in societies of this kind terrorists are not able to carry out their intentions. They stand alone with their criminal actions without any popular support whatsoever. But it should be pointed out, Mr President, that powerful political extremists are playing into the terrorist's hands if they think that we can use terror to combat terror, if they think that we can fight terrorism by abolishing the rules of democracy, if they let themselves be induced to introduce legislation which is in conflict with the principles of a free democratic society.

I should now like to quote what the president of one of our Member States, Mr Walter Scheel, said in an extremely difficult situation recently at the funeral of one of the terrorists victims. 'How can society be improved if we cannot criticise? Criticism is the essence of a democratic society.' It is my view, that we in this House owe the President of a Member State a great deal of respect for having the nerve and such a firm belief in democracy to say such a thing.

Certain countries and movements take the view that capital punishment should be introduced for terrorists in the current situation. In my view, this reflects a completely false assessment of the situation. These terrorists are not people who can be put off by the fear of capital punishment, and I feel that it would be

wrong to introduce it merely for the purpose of combating terrorists in places where it is not already an established legal practice. Terrorism, in the view of the Socialist Group, is a criminal act which must be treated as such and combated by means of legislation and legal instruments which do not conflict with the basic principles of a free democratic society.

It is frequently said in my country, Denmark, that a democracy cannot be won once and for all. One must fight to maintain a democracy every day, and if one does not, the basic principles and attitudes of democracy disappear. Society must increase security, society must protect every individual citizen. It is the duty of society to do this. It is not prominent individuals such as leaders of political parties, movements or organizations who must be protected. No, the ordinary man and the woman in the street, people in their homes, people using public transport, totally uncommitted private individuals are the ones whom this society must protect. If society cannot provide this protection, our democratic social principles themselves will be at risk.

We in the Socialist Group take the view that the Community has hardly ever been faced with such a challenge before. We also feel that there is great scope for cooperation between the various governments and parliaments within the Community with a view to ensuring the security of the individual in a given situation. We feel that we must have recourse to a wide variety of measures. We also feel that we must look more closely at the sale of weapons to private individuals. It is reasonable to assume that normally private individuals in a democratic society do not carry weapons. It is reasonable to assume, Mr President, that in a democratic society people use democratic ways and means of gaining support for their political ideas. I do not think terrorists' attitude has anything to do with politics. I think their actions are simply destructive and quite indiscriminate and cause suffering to ordinary innocent people who are very often in no way actively committed to any particular social philosophy. Society must guarantee that countries cooperate to ensure the safety of the individual. We must also intensify our supervision of this cooperation and accept that flights will be delayed, that individuals will be kept waiting and that there will be certain restrictions of individual freedom, but this must always be with a view to protecting the individual in society. Systematic cooperation between the Member States must surely be possible. It is surely correct and reasonable to assume that the parliaments of the nine Member States broadly speaking take the same view of terrorism as that put forward here today.

We feel that if this Parliament together with the parliaments of the nine Member States is not prepared to use completely democratic, legal and just methods to meet this challenge, the very basis for our cooperation will suffer major and almost irreparable damage.

**Holst**

Finally, Mr President, I should like to say to the entire assembly that if, on behalf of the Socialist Group, I am recommending here today that we vote in favour of this motion of this a resolution, this is because we believe Parliament must speak loudly and clearly and in a way which everyone will understand. I am assuming that the entire European Parliament can, without reservation, support all the institutions and political bodies which hope, on the basis of their statutes and with the support of our common will, to defend our democratic system against terrorism. I also assume that even though this may be difficult, we will always remember the words of Mr Walter Scheel, the President of West Germany, and say that we will only be able to strike at the roots of terrorism if we understand its cause, but no one should be in doubt as to our views on the attitude of democracy to terrorism.

*(Applause)*

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

**Mr Vernaschi.** — *(I)* Mr President, ladies and gentlemen, the Christian-Democratic Group is in full agreement with the motion for a resolution before the House and welcomes its practical and realistic approach. We are convinced that, although a debate on terrorism may be useless at the present time, joint action, a common resolve and a sense of solidarity are essential.

The motion for a resolution contains a fundamental point with which we agree, namely that any measure which the governments of the Member States are called upon to take must at all costs guarantee respect for democratic norms and safeguard freedom. We would be going against the basic aim of this motion if we allowed ourselves to be swayed, even for emotionally understandable reasons, by one section of public opinion which demands measures against terrorism so draconian as to appear to conflict with the democratic process. But, while we agree that this process must be safeguarded, we think it essential to prove that the democratic system is not intrinsically weak; for although based on consensus and ensuring the freedom to dissent, it cannot allow dissent to become individual or group violence, let alone terrorism. Why are we in agreement on this fundamental principle? Because we are convinced that those who use violence do so to undermine democracy at its roots.

They try to sow doubts in the minds of our citizens as to the ability of our democratic systems to safeguard a basic right — the right to live. And that is why we maintain that terrorists, of whatever political persuasion, cannot hope to obtain any political justification either from this Parliament or from any democratic national parliament nor to enjoy protection in any of our countries.

That is why we call upon the Council of Ministers to take joint action to discover the political origins for this terrorism and to locate the centre from which it is

directed. It is essential that the main effort should be concentrated on this investigation, in order to understand the reasons for terrorism and to be able to combat it with a reasonable hope of success.

Secondly, we call upon the governments of the Nine to implement the decisions which, according to the rapporteur, have already been taken in those countries. In this respect we must leave no stone unturned. The Strasbourg Convention must become the starting point for our action, which should rest upon two fundamental principles.

As the rapporteur reminded us, the terrorist should either be extradited to the country where the act of terrorism took place or tried in the country where he has sought refuge. If we do not abide by this basic rule, we can hardly be sure of combating terrorism successfully.

Thirdly, we ask that our views should also be expressed at the United Nations: it is essential to take a clear stand there as well, so that this basic rule may be accepted by all the countries which are members of the United Nations Organization.

In this context, the European Community should ask itself another question. More than once we have noted a certain tendency on the part of countries linked to the Community by Association Agreements to shelter terrorists, who expect because of this attitude to go unpunished. We wonder whether the Community should not review its attitude towards such countries, and freeze the trade agreements whenever it thinks that the actions of those governments are in conflict with the policy of the European Parliament. Yet we think that the actions of our own governments, to which the spokesman of the Socialist Group referred, should not be aimed solely at maintaining public order. We note in our society a malaise which is threatening even that fabric which has hitherto supported social cohesion, thereby ensuring the stability of public institutions. We fear that, at present, actions designed to safeguard public order are no longer sufficient to guarantee the democratic structure of our countries.

We believe it is essential for the Community to take action which would help to remove the factors, including psychological ones, which cause the latent violence in our countries to explode and assume the guise of terrorism. We are referring here to the extremely unfavourable economic conditions existing in certain regions of the European Community and outside the Community. These conditions can undoubtedly provide some psychological motive for those who oppose the democratic system and for those who seek to persuade young people that the problems of our society can be resolved through violent opposition. We must therefore commit ourselves fully to an overall development of the Community which will take account, above all of human values.

## Vernaschi

We maintain that terrorism and violence in our countries frequently arise also from the fact that our activities are orientated almost entirely towards economic aims, and that we have lost sight of those moral and spiritual values which are the best guarantee of a deep-seated respect for the rights and lives of our fellow-beings. In other words, we think that social cohesion is created not only by safeguarding basic rights — such as political rights — but also by recognizing the value of the fundamental spiritual freedoms which constituted the fabric of European civilization up to the present day.

*(Applause)*

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

**Mr Berkhouwer.** — *(NL)* Mr President, the countries of the Community are being increasingly plagued by violence. Already this year there have been more cases of hijacking than in previous years — I believe 18 cases have so far been reported. Furthermore, we have to contend not only with crimes of violence but also with large-scale international crime such as the traffic in drugs. In all cases the international crime, which affects the Community as well is carried out on a world-wide scale. The whole of the western world and its freedom are thus in jeopardy. We therefore appreciate the reasons for Mr Lagorce's move. I also believe that the rapporteur should be in a position to accept the amendment, as it suggests that crime can originate or be continued inside or outside the Community. Mr Lagorce's amendment refers to acts which 'may begin or be continued outside the Community'.

Crimes may therefore begin or end in the Community or even be continued within the Community's frontiers, and so I think that the amendment is a sensible one; but it is not the most important point under discussion. The most recent horrifying acts of terrorism took place in the Federal Republic of Germany and the Netherlands. It is sadly ironical that the terrorist gang should have the same initials as the Royal Air Force, to which we owe a great deal of our freedom.

There is nothing new in violence against the established order, nor is there anything new in the fact that some extremists hail the terrorists as the champions of freedom. We should read the recent publication by the Dutch sociologist Professor Bouwman, entitled 'Vrijheidshelden en terroristen, vijf eeuwen geweld in Europa' (Freedom fighters and terrorists, five centuries of violence in Europe). We should exercise great caution and consider the situation carefully, and not indulge in any form of extremism. We must not commit excesses or panic, but take careful note of what is going on — nor should we get the wrong end of the stick. I recently deplored the fact that a kind of

heated emotionalism had been expressed in various quarters against the measures taken by Germany to maintain law and order. It appears that events are being distorted and that people are now referring to the terrorism of the state.

During my many visits to Germany recently I have heard the present situation compared with the events of the past; but I think it is true that civil liberties in Germany are as safe as in other parts of the Community. I think I am qualified to make such a statement.

In assessing the recent events, I should like to make a few comments in passing. Firstly, we should not lose confidence in the values of our western way of life. These can only decline if we lose faith in them. Secondly, we should above all keep cool and steer clear of extremism. This is precisely the trap which the terrorists are setting for us: they want us to lose our self-control and resort to repression so that they can say, 'There you are, these are the real oppressors.' We must try to avoid this and prevent a reversal in the situation, in which those who have to maintain law and order are regarded as oppressors.

It has been said that democracy is weakness. I think this is perhaps putting it too strongly. In my opinion the tolerance and flexibility of democracies constitute their strength rather than their weakness. Even democracies have a right to defend themselves, and I do not regard democracy and defencelessness as synonymous. Democrats should not be prevented from being on their guard. This is always a difficult question: where is the dividing line between tolerance and intolerance? This is one of democracy's never-ending problems. The leaders of our democracies are also faced with the task of protecting democracy by adopting measures which comply with the norms of the rule of law, which a great Dutch legal theorist once said should be essentially such that even ordinary citizens have certain powers over their governments. This is the perpetual problem to which I refer, and which was already described by the Greek philosopher Heraclitus. The problem always centres around the balance implicit in the idea that civil liberties should not lapse into anarchy and that the powers of governments should not degenerate into tyranny. In view of this, I deplore the unbalanced criticism expressed in various quarters concerning the German authorities' resistance to terrorism.

It is alarming, to say the least, that despite the findings of an international committee of experts that the prisoners died as a result of suicide, people still insist that they were murdered. The question of why these people committed suicide is open to debate. But the claim, which is made despite evidence to the contrary, that they were murdered by the system is a most deplorable distortion of the truth, and one which we should denounce. To be democratic means to maintain law and order without leaving oneself completely

**Berkhouwer**

defenceless on the one hand and without going to extremes in order to defend oneself on the other.

And then there is terrorism in the air. As I have said before, this situation can be compared with the days when pirates plagued our coasts. It is remarkable that there are countries — I need mention no names — which used to practice piracy and which now offer refuge to hijackers. It so happens that in some cases these are the same countries. Of course, I have no objections to any part of Mr Fletcher-Cooke's motion for a resolution. However, I think the time has come for us to stop paying lip service to our ideals: we should no longer be content with words but should begin to transform these into action. I therefore have a number of practical suggestions to make. As they may not be accepted by the United Nations, the countries involved in aviation should act together. It could be that these are the same countries which still boast parliamentary democracies at the moment.

The granting of political asylum to hijackers should no longer be tolerated. Hence the amendment by Mr Durieux, which condemns countries which shelter hijackers. This suggestion is not my own but was made by a well-known former British minister, who said that countries which provide safe conduct for hijackers should be barred from normal civil aviation. If this were carried out, the countries concerned would be more sensitive to the problem. If none of our airlines were to fly to a given country, that country would be made to think twice. Conventions without sanctions have no impact whatever.

To turn our attention to practical matters, it is depressing to hear that the German terrorists have stated that Lufthansa planes will never be safe from now on and that they will carry with them the threat of death. They said this quite openly, and the German authorities are taking them seriously. I don't want to start a panic, but it appears that a number of these terrorists have been found in Amsterdam on the top floor of a block of flats in the flightpath of planes approaching Schiphol airport. That is reason enough to take their threats seriously, and we cannot leave this problem to the airlines as they are not equipped to deal with it. There are now airline companies which send people to airports in various countries in order to search passengers, in case the security precautions at the airports are not adequate. Obviously, they have to have the consent of the authorities in the countries concerned. This is a sorry state of affairs, but one which our private airlines can do nothing to overcome. Do Sabena, KLM or SAS have to do this? Do they have to send people to airports which are not safe?

Mr President, I hope the Commission and the Council will consider the practical implications of this critical situation. We shouldn't beat about the bush and be content with empty words. We should concern

ourselves with the appalling situation facing private air transport. I have no complaints if my plane is an hour late as a result of a thorough search being carried out. This is in our own interest, but it would obviously be impossible for the private airlines to continue to operate in this way. We should therefore say to all countries involved in air transport and which offer shelter to hijackers that we will bar them from normal air traffic and no longer use their airports. The same should apply to countries which do not cooperate with us in this.

I know it is a difficult problem, but necessity knows no law, and we must act because this situation cannot continue! That is what I wanted to say in connection with Mr Fletcher-Cooke's resolution. We all support it, but we must adopt watertight measures.

Furthermore, it is of course extremely frustrating that, while we constantly argue in favour of eliminating frontiers, the need for security has sadly given them a new lease of life. This is an unfortunate fact. But although on the one hand frontiers act as a kind of filter, they are an obstacle to coordinated detection. Of course, it is possible to set up such filters, but detection has to be carried out on a larger scale. We have Interpol, which, although it has provided and still provides a useful service, is of course primarily concerned with information and administration.

To counter international crime we need more than this. Perhaps this may be regarded as over-ambitious, but could we not devise a kind of European police information service? Should we not coordinate our police forces much more than in the past and thus achieve much more than we can with Interpol? I hope that Mr Simonet is listening to me, as I am making a suggestion which he could pass on to the Commission: I propose that we set up an EEC police radio network, which would provide a direct radio link between our national police forces, with police liaison officers in our embassies and consulates-general.

The measures taken to combat, prevent and eliminate international crime are inadequate in view of the scale of the problem, a fact which is now becoming clear to us. Exactly the same applies to political regimes, however awful they may be. Of course, the ideal solution would be to have international trials and criminal investigation. Since the Second World War we have witnessed the Nuremberg trials which dealt with crimes against humanity, but apart from that we seem to have forgotten about international criminal law.

These acts of terrorism are of course just as much crimes against humanity as those which were committed in a different guise during the last war. And now we have the alarming situation in which our national forces of law and order can no longer cope. This is a frightening phenomenon. Take the Mogadishu incident. This started in Palma, where all the

**Berkhouwer**

Germans were taken hostage. They landed in Mogadishu where the first hostage — the German pilot — was killed. Strangely, the murder is being tried in Mogadishu, while the other crimes are being tried in Germany. Since then, a policeman in Utrecht has also been shot dead by a terrorist. The murderer may be tried in the Netherlands, and would therefore be imprisoned there. We would then get a situation in which terrorists are housed in national prisons throughout the Community and elsewhere in the custody of the national authorities. I am telling you, this could trigger off a continuous wave of terrorism. The Netherlands is not to blame for this, but it could be affected. A terrorist could perhaps escape to Belgium or France. The national police would then intervene and the terrorist would be imprisoned. This would lead to a continuous escalation of the problem, as next time an Air France, KLM or Sabena plane would be hijacked in order to force the release of terrorists from national jails.

The terrifying facts of this enormous problem compel us to give it serious thought. The international community should find a place somewhere in the world, where terrorists, regardless of where they come from, could be held in a kind of international prison. This was done in the case of the German war criminals after the Second World War; they were all housed in one prison, irrespective of their place of origin. I have in mind a kind of Saint Helena for terrorists which would be under international supervision, as this would avoid all exchanges of prisoners and the danger that the problem may gradually affect the whole world. This would avoid continuous terrorism aimed at freeing terrorists held in national prisons.

I am not merely indulging in wishful thinking, as it is a sad fact that such crimes involve all kinds of nationalistic and other feelings directed against certain nations. We now see that a certain Community country has been exposed to criticism from various quarters because of the supposedly repressive measures it has taken. Even in other countries reprisals are being taken against the property and nationals of that country. The same could happen to another country which took measures to counter a violent attempt to free terrorists from that country's prisons. Then the same perverted nationalistic sentiments could be directed against that country.

This is what has prompted my suggestions and ideas. I hope that those who control European integration will pay heed to my suggestions, which I have made with a view to safeguarding those human values which we consider to be worth preserving, in order to maintain, foster and develop these values on the basis of Community action.

(Applause)

### 8. Directive on equal treatment for men and women in matters of social security (Vote)

**President.** — This debate is now suspended for a short time to enable us to vote, in accordance with the agreed timetable, on the motions for resolutions on which the debate is closed.

We shall vote first on the motion for a resolution contained in the report by Mr Cassanmagnago Cerretti (Doc. 355/77).

I put the preamble and paragraphs 1 to 11 to the vote.

The preamble and paragraphs 1 to 11 are adopted.

On paragraph 12 I have Amendment No 1, tabled by Mrs Squarcialupi and Mr Pistillo:

Amend this paragraph to read as follows:

'12. Emphasizes the need for the Member States to take uniform and simultaneous action as soon as possible in eliminating discrimination ...' (rest unchanged).

What is Mr van der Gun's position?

**Mr van der Gun, chairman of the Committee on Social Affairs, Employment and Education. — (NL)** Mr President, although I can go along with the purpose of this amendment, I must nevertheless note that what is now being proposed with regard to paragraph 12 is to my mind not acceptable. Paragraph 10 refers to the deadlines and periods of 2, 3 and 5 years, but paragraph 12 merely states that implementation must be uniform in the Member States in order to avoid any imbalance and disruption in the economy. That has nothing whatsoever to do with the deadlines mentioned in paragraph 10. For this reason I must recommend that Parliament reject this amendment.

**President.** — I put Amendment No 1 to the vote. Since the result of the show of hands is doubtful, a vote will be taken by sitting and standing.

Amendment No 1 is rejected.

I put paragraphs 12 and 13 to the vote.

Paragraphs 12 and 13 are adopted.

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

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

### 9. Directive on illegal migration and employment (Vote)

**President.** — We shall now consider the motion for a resolution contained in the report by Mr Pisoni (Doc. 352/77).

On article 2 (b) of the proposal for a directive, I have Amendment No 1 tabled by Mr Meintz:

<sup>1</sup> OJ C 299 of 12. 12. 1977.

**President**

This subparagraph to read as follows :

'(b) for the purposes of preventing and identifying illegal migration and illegal employment there shall be an adequate control :

- at places of entry to their territory *and* at places of employment,
- of temporary employment agencies which make manpower available to third parties in another Member State.'

I call Mrs Dunwoody on a point of order.

**Mrs Dunwoody.** — I wonder if I may ask for your guidance. I understand that the amendment in the name of Mr Meintz only appeared this morning. Is it, therefore, in order to take it at this juncture, if it was tabled after the debate ?

**President.** — Mr Meintz already moved this amendment yesterday in his own speech.

What is Mr Pisoni's position ?

**Mr Pisoni, rapporteur.** — (I) Mr President, I think I can agree to this amendment. In fact, if we really want to be able to put a stop to this phenomenon of illegal migration, we must set up a suitable system of control on two fronts : at the borders and at places of employment.

Mr President, since I have the floor, I should like to comment on one point. Yesterday Commissioner Vredeling stated that he would try to extend the legal scope of the directive by incorporating a social aspect. I think that it would be advisable to include this addition in a later piece of legislation and to let this directive take its course.

**President.** — I think that the Commission has noted this statement.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put the motion for a resolution to the vote.

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

#### 10. Draft amending budget No 2 for 1977

**President.** — The next item is the report (Doc. 387/77), drawn up by Lord Bruce of Donington on behalf of the Committee on Budgets, on draft amending budget No 2 of the European Communities for the 1977 financial year.

I call Lord Bruce of Donington.

**Lord Bruce of Donington, rapporteur.** — Mr President, on behalf of the Committee on Budgets, I beg to submit the report drawn up on its behalf comprised in

Doc. 387/77, which refers to the draft amending budget No 2 of the Community for the financial year 1977, Doc. 333/77. May I also refer at the same time to draft Amendment No 1 and draft Amendment No 2, which I have tabled on behalf of the Committee on Budgets. Perhaps I ought to say that my report and the amendments to which I have referred were approved unanimously by the Committee on Budgets at its meeting held last night. It will be apparent, since I have referred to amendments, that Parliament — if it is to approve the amendments that are brought forward by the Committee on Budgets — will have to have at least 100 Members present on Thursday next at 3.45 p.m. when the vote comes to be taken on the amendments. Otherwise, the amendments would lapse, with consequences which I would propose to explain to the plenary as the session proceeds.

Mr President, supplementary budget No 2 which we are considering today is not a very complicated affair, in spite of the amount of stationery that has been used in its reproduction. Nor, indeed, need any Member of Parliament fear that as a consequence of passing this supplementary budget No 2 — if that indeed be Parliament's decision — the Commission and the Community will be involved in any extra expense. On the contrary, the draft supplementary budget No 2, if Parliament should decide to adopt it, will show some 30 million u.a. reduction in commitments, and some 2 million-odd reduction in payment commitments.

The supplementary budget No 2 is concerned primarily with the field of energy and research. It will be recalled that, when the original budget for 1977 was before Parliament, it contained a number of items relating to the Joint Research Centre programme, the high-flux reactor headquarters and indirect action in relation to joint research work. It contained provision, also, for such other miscellaneous expenditure under JRC as might become necessary, and it includes some provisional appropriations which, at that time, were thought to be adequate to cover all developments in the field of JET — the Joint European Torus. That was the budget as passed at the end of 1977. On 4 April last, the Commission introduced its preliminary draft supplementary budget in the light of later developments in the joint research programme of the Commission, of which the Commission became aware. In place of token entries in the Joint Research Centre programme, and token entries in the high-flux reactor section, it substituted definitive sums. At the same time, it made suitable proposed deletions from the miscellaneous sectors which, in the earlier part of the 1977 budget proper, were a little uncertain. It also eliminated the appropriations calculated to cover the JET project. That supplementary budget was introduced and then, before the paper was quite dry, a letter of amendment was introduced by the Commission which made no substantial alteration, but comprised a number of items which just tidied up the position and brought it more up to date.

<sup>1</sup> OJ C 299 of 12. 12. 1977.



## Lord Bruce of Donington

At this point, Mr President, the Council intervened. The Council produced a draft supplementary budget which deleted completely all reference to these items. In other words, the whole Commission provision for this programme was completely deleted in the Council's draft budget which was brought forward on 22 June. It took no account at all of the proposals in the energy field which the Commission had put forward in its preliminary draft supplementary budget No 1.

When this came before the Committee on Budgets and when they were apprised of Council's intentions, they decided that the best thing in the circumstances — since the other part of the supplementary budget also contained other items considered to be of importance to the Community — was to accept this position in regard to energy and research, although with some dismay. They proceeded to try and deal with the item by transfer, incidentally with the full concurrence of the Commission.

The Council, however, declined to do anything about this and the position remained stagnant, as before. In the draft supplementary budget No 2, which is now before Parliament, and which was brought forward in October, nearly five-sixths of the way through the financial year, the Council have substantially taken the view that the Commission took some six months before. We are now faced with a situation where there has been this considerable delay. Parliament is invited to give its approval to the new draft supplementary budget on the basis of that delay, and after all that has transpired.

Now, in the ordinary way there would be no objection to that. We know perfectly well that the Council has had difficulty in reaching agreement on the whole question of its research and energy policy. There is no point, Mr President, in my going into any greater detail than that, because it has all been ventilated in the House from time to time in plenary session, so it would not be proper for me to recount the difficulties the Council has had in reaching agreement. But, Mr President, it is no part of Parliament's job to make a kind of *apologia* for the Council. The Council has delayed, and as far as Parliament is concerned, that is the Council's fault.

The position at present is that the Council has not only brought forward a draft supplementary budget No 2, but also one which it now knows to be incorrect, so that further amendment is going to be required to it to bring it into line with policies that have in fact been agreed by Council and Commission. Furthermore, to be correct, the existing budget which we are considering would have to be amended to take account of the JET project, the site of which has now been agreed and which means transfers in terms of payments to the tune of approximately 20 million u.a. and some 70 million u.a. in commitments.

The question that we have to decide here, Mr President, and that Parliament has to decide, is whether,

five-sixths of the way through the year, it is now prepared to give its sanction to a supplementary draft budget No 2 which everybody knows is incorrect and which has got to be amended again. I take the view, which is unanimously shared by the Committee on Budgets, that we ought not to do this, because otherwise it makes Parliament look rather foolish, and so we have hit upon an alternative. As an alternative we ourselves in the Committee on Budgets have put forward the amendments to which I referred earlier and which reflect the correct position in financial terms and also in terms of classification. This statement of the position is now agreed by all parties concerned to be accurate. If, therefore, Parliament decides on Thursday at 3.45 p.m. with 100 Members present that these amendments can be approved, it is then up to Council to see what Council is going to do about them. In the normal way, of course, Council would very much prefer the normal procedure to be gone through, which in this case would mean the Commission producing an amending letter. After that had been fully considered by Council, a draft amending letter would be issued, and the matter would then be considered by Parliament.

What a ridiculous situation, however, this would create! It would mean that the next plenary session in December would be considering draft supplementary budget No 2 for the year 1977 halfway through the last month of the year, almost at the same time as the 1978 budget was being considered. Council, of course, has the right to do that. I would hope, however, that, on the assumption that Parliament agrees with the draft amendments put forward by the Committee on Budgets, Council would accept those amendments and announce its acceptance at the concertation proceedings which — I am reliably informed — are due to take place on the twenty-second of this month, next Tuesday. If it does that, everything is clear; everything will go forward.

On the other hand, as the Commission correctly apprehends, if the Council got awkward on that and decided not to do that, it would mean that the Commission, in addition to the items on JET, which are specifically the subject of this amendment, would also lose the right to expend other items under Titles 330 and 331 on the JRC programme, which it urgently requires to spend and which, under the financial regulations, ought to be committed before 15 December.

So there is the risk. If Parliament insists on its rights — and I really believe that Parliament should insist on its rights, unless it is going to be a puppet Parliament, which I devoutly hope it will not — and obliges the Council to agree with the amendments at the concertation procedure next Tuesday, then everything will be all right.

### Lord Bruce of Donington

On the other hand, if it does not, then it will mean — and I frankly agree it will mean — that the Commission will find itself in difficulty about committing that very necessary expenditure under Titles 330 and 331.

One final point, Mr President. It is not only the Commission that is involved here, or, in fact, the Council. It is also Parliament. Parliament very often complains that it has few budgetary powers. Parliament has an occasion this time to assert those powers and to show that it really is conscious of them and uses them responsibly in refusing to pass a budget that does not contain the accurate facts, as everybody now knows them. But that imposes on Parliament a responsibility. It imposes on Parliament the responsibility of having at least 100 people here to vote on Thursday, in order that the amendments can be passed. If Parliament should fail to do that, the Council and Commission could legitimately say to Parliament, 'Well, it is all very well you bleating, but when it comes to a point of principle, you have neither sufficient energy nor diligence to apply yourself to the task to which you profess you are devoted and which you would use all your powers to carry out.'

Mr President, I hope that after those brief remarks Parliament will feel disposed both to accept the report and to agree to the amendments on the basis that this Parliament should never, as a matter of form, approve a document which it knows to be inaccurate at the time that it is considered.

#### IN THE CHAIR : MR YEATS

##### *Vice-president*

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

**Mr Notenboom.** — (NL) Mr President, I have not much to add on behalf of the Christian Democratic Group to the rapporteur Lord Bruce's excellent introduction. All of us are fully aware of the background to this report and to the two amendments, which are unique and a completely new departure in this House's budgetary procedure. What then would be the point in my reiterating what has already been so admirably explained? I should merely like to stress on behalf of the Christian Democratic Group how nonsensical it is to come along with budgets of this kind so late in the year and how right it is for this House to demand that an end be put — except in the most pressingly urgent cases — to the practice of submitting this kind of budget, especially if financed by own resources.

Secondly, I should like to point out the adverse consequences — from the point of view of budgetary administration — of the Council procrastinating so long before coming to a decision and, when it does eventually get around to it — I am, incidentally,

delighted that a decision has now been taken on the JET project — being incapable of getting the necessary draft budget ready on time.

However, be that as it may, we must now try to get these items incorporated in the 1977 budget and to make them operational in view of the great importance which attaches to a Community, a European energy and research programme. These are matters which can only be tackled successfully by the Community in a world context; Member States simply do not have the necessary power and influence to go it alone. This is the material background to this report and also to these two amendments.

But in the interests of budgetary administration, Lord Bruce has put forward a proposal — which has the backing of my Group — which would have the effect of skipping one time-consuming stage in the process. This stage would require the Commission now to submit the proposed amendment to the Council, with the result that the amendment would eventually be back before us in December at the earliest, only a few days before the end of the current budgetary year. This is why the Committee on Budgets unanimously approved the proposed amendments, as the rapporteur rightly explained. As far as procedure is concerned, I hope that Parliament will have the backing of the Commission when — as I fervently hope — these amendments are adopted on Thursday. Our two institutions need each other's support: Parliament must support the Commission in matters like this and vice versa. But ultimately the Council's action is decisive and I can do no more than underline — on behalf of our Committee and the Christian Democratic Group — the urgent appeal made just now by the rapporteur to the Council to adopt this procedure in the interests of the Community and of the Community's energy and research programme.

By adopting this procedure, this House has a chance of showing that it really does have teeth. It is said all too often that the European Parliament has no more than consultative status, and in very many cases this is so, although our consultative status should not be underestimated. It does, after all, give us the right to call the Council and the Commission to account, to exchange views and carry on debates in public. These powers should not be underestimated, because they run to the right to take decisions on a budget which is increasing from year to year. The Christian Democratic Group therefore supports Lord Bruce's report and the two amendments in the hope that the necessary 100 Members of this House will be present on Thursday without having to be contacted by the President by telegram. This is of course the weak point of this whole business, but if we really want to demonstrate our budgetary powers, this House must respond to Lord Bruce's appeal and have 100 Members here on Thursday, all of who will, I trust, vote for these amendments. Our backing is, in any case, assured and we thank the rapporteur for the excellent job of work he has done

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, let me, first of all, thank the draftsman of your report of this very detailed and complete introduction to his document. As he has been at pains to emphasize, rectifying budget No 2/1977 is particularly remarkable for the fact that the proposed transactions are intended to correct the entries concerning certain appropriations within Chapter 33. Consequently, no further appropriations are being asked for. On the contrary, the appropriations sought by the Commission in its preliminary draft budget and upheld in general by the Council in its draft rectifying budget — that is, 182 448 million units of account in commitment appropriations and 180 870 million units of account in payment appropriations — represent in comparison with the 1977 budget a reduction of 30 812 million u.a. in commitment appropriations and 2 467 million u.a. in payment appropriations. These differences are, of course, principally caused by spreading the incidence of appropriations for the Joint Research Centre and for the JET project in the years 1977-80 to take account of the decision of 18 July 1977 on the Joint Research Centre's programme and the guidelines laid down for the financing of the JET project.

So far as the corrections concerning the JET project are concerned — and this, of course, is a big experimental apparatus to be built and exploited within the framework of the fusion and plasmaphysics programme — I would remind the House, in the light of what Mr Notenboom said, that the Commission put forward its preliminary draft rectifying and supplementary budget No 1/1977 as far back as April, of which the part concerning research and investment appropriations forms the basis of the present rectifying budget No 2/1977, which, of course, has been sent to the Council. The Commission then asked for the transfer of the appropriations for JET from Item 3394, where they are entered as provisional appropriations, to Item 3332, the budgetary line particularly designed to accommodate the appropriations in question. The Commission was still expecting at that time an early decision on the site and programme of JET. In the absence of such a decision, when draft rectifying budget No 1 was adopted, the Council decided not to agree with the proposals of the Commission, but to leave the appropriations at Item 3394. Meanwhile, of course, the Council approved at its meeting on 17 October 1977 the measures for carrying out the JET project. Furthermore, at its meeting of 25 October 1977, the Council decided on the site for the JET-1 project. In these circumstances, it is clearly right in principle that, as the Committee on Budgets has proposed, the second rectifying budget now be amended in order to transfer the appropriations for JET within Chapter 33 from Title 9, 'Provisional appropriations', to Item 3332, 'Fusion and Plasma Physics : Project JET'.

Let me nevertheless, Mr President, draw your attention to the fact that this rectifying budget contains also a number of corrections to the appropriations arising from the four-year programme of the Joint Research Centre which was decided on 18 July 1977. It is extremely important for the Commission to be able to use these appropriations as soon as possible. Should this not be the case, a real financial crisis would arise for the Joint Research Centre. In fact, taking into account the delays which have already been occasioned, at first with reference to the decision on the new Research Centre programme and subsequently with regard to its budgetary expression, the carrying out of the new programme in 1977 is already heavily compromised. In these circumstances, Mr President, I would be obliged if the European Parliament could, in adopting the amendment in question, support the Commission in its primary consideration, which is to make these appropriations available to the Joint Research Centre as quickly as possible. In the same way, it would certainly be very pleasing if the Parliament could exert its influence to persuade the other arm of the budgetary authority — that is, the Council — to accept the amendment in question so as to allow the final adoption of rectifying budget No 2/1977 as soon as possible.

**President.** — I call Mr Simonet.

**Mr Simonet, President-in-Office of the Council.** — (F) Mr President, I am afraid I am going to have to disappoint Mr Tugendhat. I fully appreciate the motives behind the decision taken by the Committee on Budgets to propose that the appropriations for the JET project be made available immediately. These motives were brought out very clearly in Lord Bruce's report.

I feel, however, there is a misapprehension here which I shall try to clear up. The decision taken a few days ago by the Council on the siting of the JET project was undoubtedly an event of major importance, since it allows the project to get under way. However, the choice of a site does not in itself imply any commitment to incur supplementary expenditure. At the present stage, the project does not require any supplementary appropriations. As soon as the need exists, the Council will be called upon to take the fundamental decision which normally has to precede the inclusion of any item in the operational budget. This is why I have to inform you that the Council's attitude to these draft amendments is guarded, at least as far as the principles are concerned. I say 'principles' because it is obvious that these appropriations — even if made operational — cannot in practice be applied by the Commission without the prior consent of the Council acting as the legislative authority. In view of the urgency of timetabling arrangements, if these draft amendments were to be adopted by your Assembly — which I hope they will not — the Council would examine them on 22 November.

**Simonet**

I cannot in any way prejudge what the Council's attitude will be. I would merely draw your attention to the fact that if — as a result of these amendments — a fresh stage has to be introduced in the budgetary procedure, the implementation of the JRC budget — which has nothing at all to do with this misunderstanding on the question of the JET appropriations — will be seriously jeopardized. I wonder whether it is wise to run such a risk for the sake of what is a highly theoretical point and which — I would strongly emphasize — will do nothing at all towards advancing the matter under discussion.

**President.** — I call Lord Bruce of Donington.

**Lord Bruce of Donington, rapporteur.** — Mr President, I will not detain the House long on this. I am rather perturbed at the Council's reply to the very reasoned case that has been put forward. Mr Simonet said that he could not prejudge the Council's position in the matter and indicated that it would be a pity if the remainder of the JRC programme were put at risk.

If that happened, whose responsibility would it be? It would not be Parliament's, it would be the Council's. The question at issue now is whether the Council is prepared to put this programme in jeopardy. It is not whether Parliament wishes to do that at all. Parliament has made its position quite clear. Parliament and Commission are precisely at one as to the objectives to be achieved, the methods by which those objectives should be achieved and the cost of achieving them. There is no difference between Parliament and Commission. Both are behaving responsibly, and, speaking on behalf of Parliament, I decline to accept the responsibility for any delay or any inconvenience to the JRC programme as a consequence of the Council's failure to shoulder its responsibilities. It is all very well for the Council of Ministers to sit solemnly round together and say, tut tut, we insist on your doing it this way; otherwise the programme we will not be doing justice to. This is talking to Parliament from Olympian heights, and I would remind Council that there are two coequal authorities in relation to the budget: one is Council and the other is Parliament. There have been many times over the past few years, some of them to my experience, when Parliament has been faced with the necessity time after time of showing compliance with a series of requests by Council which have arisen solely because of the Council's delay. Parliament has been asked on many occasions to act merely as a rubber stamp, on the basis that if it does not act as a rubber stamp, all kinds of dire consequences will follow. Well, Mr President, I have to announce that I shall recommend to Parliament that Parliament does not comply, and I say to the Council, if there is any hold-up in the programme envisaged on the JRC for Articles 330 and 331, Parlia-

ment declines to accept responsibility. Parliament believes that the budget should be a truthful document and reflect the facts as they are known to all parties concerned. If the Council wants to stand on pedantry and procedure and dignity to frustrate the programme, well let it do so. Parliament will know exactly where the real responsibility lies!

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

### 11. Agenda

**President.** — I call Mr Cointat on a point of order.

**Mr Cointat.** — (*F*) May I ask you, Mr President, at what time the two oral questions on imports flooding the Community markets will be called. If it is as I suspect, namely that these two questions will have to be debated at about 9 p.m., I wish to say that I do not consider it right for Parliament to sit late every night almost without a break. If this is the case, Mr President, I would request that, to facilitate your task, these questions be postponed until December. Indeed, I do not think that it is normal for such an important question to be dealt with at 9 or 10 o'clock in the evening.

**President.** — Mr Cointat, you are asking the Chair a question which really it is impossible to answer. However, using my judgment merely, I would say that you are correct in your estimate of the time at which these items would come on the agenda.

**Mr Cointat.** — (*F*) Mr President, since you agree with me that these questions will be dealt with at a late hour, I think that it would be more sensible to postpone this important problem until the December part-session, on condition that the Presidency then arranges for this debate to be held at a time which is compatible with a normal eight-hour working day.

**President.** — Mr Cointat wishes to withdraw items 235 and 236 from the agenda with a view to their being taken next month.

Are there any objections?

That is agreed.

I call Mr Cointat.

**Mr Cointat.** — (*F*) Mr President, it is, I hope, clear that this postponement, intended as it is to facilitate the work of the Presidency and staff of the European Parliament, does not mean that the Group of European Progressive Democrats will be deprived of the opportunity of asking any other oral questions in December: as far as we are concerned, this remains our November question!

**President.** — Now that you have made that point, Mr Cointat, I have no doubt that the Bureau will take cognisance of it.

## 12. *Terrorism in the Community (resumption)*

**President.** — We resume the debate on the report by Mr Fletcher-Cooke (Doc. 372/77).

I call Mr Nyborg to speak on behalf of the Group of European Progressive Democrats.

**Mr Nyborg.** — (DK) Mr President, ladies and gentlemen, we must welcome the fact that the United Nations General Assembly adopted a resolution on 3 November condemning the hijacking of aircraft and other acts of violence involving civil aviation.

The International Pilots Association regard the resolution as satisfactory and called off a threatened protest strike. In the fight against international terrorism one must immediately act on as many fronts as possible, and something has already been done in this field in certain of the Member States. For example, Germany and Spain have agreed to strengthen security in airports. Great Britain has decided to introduce a levy on air travel to finance improved security in British airports, which, as far as we know, currently costs £ 15 million per year. These are steps in the right direction, but they are only a beginning, since we need complete coordination in this field if we are to combat terrorism, which is totally unacceptable and constitutes a threat to the lives of human beings.

If an unexploded bomb or mine is found within the Community or elsewhere in the world, one moves heaven and earth to render it harmless since otherwise it represents a threat to innocent people or their property. Our attitudes appear to be different in the case of human 'mavericks', i.e. terrorists. We keep them in prison for a while, where they are a constant threat to the lives and property of innocent citizens, since these people must be regarded in much the same way as 'explosive' material, and like-minded persons will try to release them regardless of the cost in terms of the lives of innocent people or violation of property.

If necessary I would even advocate the idea of using force to fight force, and I can see no better solution than the reintroduction of the death penalty on which my party, the Progressive Party, has introduced a bill in the Danish Folketing. I am aware of the many arguments against such a proposal and admit many of them are well-founded, but I have not seen one single proposal which would provide a better solution to the problem of fighting a terrorism which threatens the very existence of our democratic society.

A completely new type of crime has grown up in recent years in the culture of which the European Community forms part. The many examples of what this new type of crime has produced or might have produced in terms of indiscriminate mass murder include the Japanese Red Army attack on Tel Aviv airport in 1972, in which 24 people were killed, the Munich massacre in September 1972, in which 11 Israeli athletes were killed, the incidents in the airports of Rome and Athens on 17 and 18 December

1973, the kidnapping of oil ministers in Vienna, the take-over of a school in the Netherlands, etc. Paragraph 102 of the Constitution of the Federal Republic of Germany forbids the death penalty. This is presumably why Andreas Baader and the other members of his gang were imprisoned and not executed. This led to sympathizers carrying out a number of kidnapping operations involving other West Germans so that they could exchange them for the imprisoned terrorists. These operations include the kidnapping in 1975 of Peter Lorenz in Berlin, the bomb attack in April 1975 on the West German Embassy in Stockholm, in which two innocent people were killed, the kidnapping of Hans-Martin Schleyer in Cologne, when four people were killed, and it is clear that whereas the Baader-Meinhof gang managed to kill five people before they were captured, many more innocent people have since been killed in attempts to secure their release. A few months ago in the Netherlands, this cost the lives of two perfectly ordinary passengers in a perfectly ordinary train which was seized by Moluccans who wanted to exchange the hostages for some of their associates who had been imprisoned in the Netherlands following a similar act of terrorism. A plane on a flight from Majorca to Frankfurt was hijacked, with the result that the captain was murdered and the lives of 88 people were seriously threatened. It may appear a harsh, ruthless return to mediaeval practices to speak about reintroducing the death penalty, but do the terrorists themselves show any consideration or mercy? We are in a new situation, in which deprivation of freedom is inadequate to stop criminal actions, but rather gives rise to new murders. The Group of European Progressive Democrats welcomes the initiatives which Parliament has taken, and we should like to see these translated into action.

**President.** — I call Mr Sandri on behalf of the Communist and Allies Group.

**Mr Sandri.** — (I) We Italian Communists, while making no concessions to the all too simplistic sociological explanation of the phenomenon, nor to worthless explanations or would-be explanations of an academic nature, utterly condemn terrorism, its motives — whatever they may be — and its criminal manifestations — whatever their scale and consequences. We condemn it above all as militants in the anti-fascist struggle and as democrats; we condemn it also — if we may be allowed to say so — as a party which has been and continues to be one of the direct or indirect targets of terrorism.

A short while ago we heard a long recital of terrorist incidents. Yet the Italian case should provide material for a reasoned, firm and calm judgement. For about ten years Italy has been the scene of massacres, murders, and attacks which have claimed the lives of dozens of innocent citizens, destroyed the offices of

Sandri

political parties, and wounded or killed the defenders of democracy. At the beginning of this wave of attacks there was an attempt to turn public opinion against the Left by attributing to us, or to the socialists, the guilt or at least the moral responsibility for the crimes. We have not given way to this campaign: on the one hand, we have untiringly taken part in popular protest, which has involved a large section of the political forces, and on the other hand we have constantly insisted that the facts be brought to light. And indeed the truth has begun — unfortunately only just begun — to come to the surface. Members of the extreme Right and unfortunately sections of the secret services — those services who should have been defending democracy and the Republic — have been accused, although not yet convicted, of the most horrendous of the series of massacres which have taken place in Italy. These people were linked together in a barbaric attempt to halt the progress of the workers by means of a crime of which the Left could subsequently be accused, in order to isolate and discredit it and induce the country to call for authoritarian, repressive and reactionary measures.

This strategy has not been abandoned. Just as it was being unmasked by the united efforts of the people, another phenomenon has appeared and is gaining ground, one which appeals to irrationality and seeks to use the flag of revolution as a cover for the most gloomy nihilism and the darkest pursuit of death and destruction. These terrorists, who in Italy call themselves Red Brigades, have the same methods, perhaps the same organizers and financial backers, and certainly the same aims as the right-wing terrorists. They have recently begun to strike at militants of various parties including our own — a journalist in Turin, a union organizer in a Rome factory — but above all at members of the Italian Christian-Democratic Party. In the last few days, the leaders of my party have expressed the sympathy of the Italian Communists for Christian Democrat victims of violence; at the same time they have unreservedly given credit to the Italian Christian-Democratic Party — I stress 'Italian' — for having so far stood up for democracy, for having refused to react with a blind instinct of self-defence to these cruel tactics, and for having respected civil liberties in their call for the application of the laws.

Mr Vernaschi has expressed these ideas clearly and we take note of them. Our Group would like to assure him of the sympathy and appreciation which we have already expressed in Italy for the attitude which the governing party has adopted in the critical circumstances to which I have referred.

It may be that the fight against terrorism will not be a short one, but it will be won in the end by refusing to resort to emergency laws, by upholding the rule of law, and by rejecting the hysteria which cynical elements or unwitting proponents of chaos, who exploit events, seek to foster among the public in order first to turn one nation against another at a European level — the Italians against the Germans, the

French against the Germans — and then within each country, to sow divisions among its citizens, to create mutual suspicion and thereby provide a pretext for terrorism and concede to it its first, regrettable victory.

This is certainly not the place, Mr President, for an analysis for investigation of the basic causes of the phenomenon; but our own experience tells us that, in the struggle currently in progress in every country between progress and reaction, terrorism of whatever political colour seeks to strike at the cause of progress, to discredit and undermine it and to open the way for reaction. As far as we are concerned, then, we draw the appropriate conclusions from this.

Obviously, terrorism cannot be dealt with by Salvation Army methods, but if there is to be cooperation at European level, we believe that such cooperation should be firstly in the political sphere, that is with an investigation to locate the power centres of this sinister and disturbing subversive plan, then to establish the links between its financial backers and instigators.

For the very reasons which we have merely sketched out here, we Italian Communists are convinced that terrorism should be combated first and foremost by confronting it with a wall of anti-fascism: this means combination of severity and tolerance, a rational respect for truth, and a constant appeal for the unity of our citizens, enabling them to renew their faith in democracy and eradicate this evil which today threatens democracy itself in some of our countries and at a European level. It is in this spirit, Mr President, that we Italian Communists will vote for the motion for a resolution put forward by Mr Fletcher-Cooke on behalf of the Political Affairs Committee.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — (D) Mr President, I very much welcome the lucid report drawn up by my honourable friend Mr Fletcher-Cooke and the introduction he gave here today. With your permission, I should, however, like to add a few remarks, although — as my honourable friend Mr Vernaschi has already said — we shall be voting for this report as well as for the amendment tabled by Mr Durieux.

Mr President, the challenge to the European liberal democracies presented by brutal anarchist terrorist attacks in all international variations is a signal not only for the States to defend their form of society and their way of life but also to go over to the offensive to combat this modern scourge of humanity.

As a community of democrats, we have a more discriminating conscience and a finer feeling for the measures which will have to be taken to enable us to carry on a hard and uncompromising fight against international terrorism. Many of us, Mr President, experienced and suffered the terror and merciless brutality practised in the name of national socialism, fascism and communism in the decades immediately

## Blumenfeld

before and after the outbreak of the Second World War. Anyone who survived the inferno of war with all its human tragedies and privations, all the desperation and fear, will be prepared today to use every legitimate means to put an end to terrorism and to call upon our governments to accept their responsibility and to take the necessary steps in concert with the governments of the other Member States. We are ready to defend and uphold the principles of democracy and the rule of law to which all the Member States of the Community are committed, so that not only the present generation, but also future generations, will be able to live and work in peace.

Mr President, today's terrorists are in reality brutal anarchists who have placed themselves outside human society and outside the law. It matters not when they feign political motives or the ideology of the revolutionary struggle for liberation; they are and remain criminals and murderers. Our sympathy, our concern and our active protection must be directed towards the victims of these blind, cold-blooded criminals. The terrorists can expect nothing more than our contempt and the full weight of our law.

It is sometimes said, Mr President, that throughout history there have always been anarchists. There have, I grant you, always been people prepared to murder kings and rulers; there have been pirates and kidnapers. But today, with all the resources of sophisticated weapons systems, technology and mass communications as the tools of terrorism, all this has taken on a completely new dimension. A dimension which — as our rapporteur, Mr Fletcher-Cooke remarked — strikes straight at our systems, trying to undermine our society and increasingly destroy the quality of life here in Europe. Mistrust is spreading. Young people are looked upon as potential terrorists, and prominent citizens and their families are guarded round the clock by heavily armed members of the security forces. Parliaments, ministries, newspaper offices, industrial and administrative buildings are coming to resemble veritable fortresses in many of our Member States. Air traffic is being seriously disrupted. Long delays at airports and at our borders are the results of security precautions and police hunts which of course we must accept as being necessary.

But — I wish to emphasize — all this has come about because our governments could not or would not bring themselves in the course of the last ten years to recognize the deadly peril of terrorism and take the appropriate action. There was no political will to face facts and to tackle seriously at a European level — terrorism, kidnapping and aeroplane hijacking which endanger the lives of innocent men and women.

Some eight years ago, Mr President, here in Strasbourg — not in this Chamber but across the way, as Chairman of the Political Affairs Committee of the

Council of Europe — I and my erstwhile colleagues called upon the governments of the Member States of the Council of Europe to come to mutual, binding, inter-governmental agreements and not to wait until, some time in the dim and distant future, the United Nations eventually got round to condemning terrorism on a world-wide basis.

We therefore welcome the fact that the resolution before us today represents an appeal to the governments of the Member States and to the European Commission to take any necessary steps which are commensurate with constitutional rights to combat terrorism, aircraft hijackers, kidnappers and their accomplices quickly, effectively and firmly. Those States and governments which grant asylum to terrorists and kidnappers and refuse to extradite them or try them in their own courts must expect the European institutions to react accordingly. Indeed, I would go one step further and ask the Commission precisely what it had in mind when it offered its assistance to the West German Chancellor on the occasion of the Schleyer kidnapping and the aircraft hijacking — which ended happily with the freeing of all the passengers. I think it would be useful for this House to know what concrete measures were available to back up this welcome telegram, and I should also like to ask the President-in-Office of the Council of Ministers or of the Conference of Foreign Ministers, Mr Simonet — if he would be so kind as to lend me his ear for a moment — to what extent the Chairman of the Conference of Foreign Ministers is prepared to tell this House what common measures this Europe of the Nine is prepared to approve and to implement over and above the undoubtedly welcome measures already taken by the interior ministries and the police authorities in our countries. Considerable success has been achieved in this direction; we do, of course, all appreciate that the details cannot be publicized. A political statement is, however, due from the Chairman of the Conference of Foreign Ministers, and I respectfully expect — but also fervently implore — Mr Simonet to tell us what actions and what degree of political responsibility the Conference of Foreign Ministers — if the Council of Ministers cannot do so for formal reasons — is prepared to adopt or had already adopted.

I wonder, Mr Simonet, whether it would not be a good idea — and this will be my last contribution to this debate — to combine those specially trained anti-terrorist units which have been in existence for some considerable time in the Member States into a multinational European anti-terrorism unit which could be brought into action in whichever part of Europe an act of terrorism is committed against us Europeans, against innocent people, and thus to combat terrorism wherever it rears its ugly head — even in foreign countries, wherever this seems necessary or right. I would



## Blumenfeld

expect such a combined unit of specially trained anti-terrorist commandos — formed to protect the citizens and innocent people within our countries from these criminals — to be a new and important tangible expression of our European solidarity, a virtue which will be very much in demand if we are to deal successfully with the deadly dangers of terrorism.

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

**Mr Lagorce.** — (F) Mr President, ladies and gentlemen, Mr Fletcher-Cooke — whose speech I listened to with all the attention it deserved — has misunderstood the point of my amendment. This is evident from the interpretation he gave of it in his speech.

I thought my amendment was perfectly comprehensible, as Mr Berkhouwer was kind enough to call it, for which I should like to thank him in passing. However, be that as it may, I shall attempt to justify it as best I can.

The Socialist Group has devoted a great deal of attention to the first paragraph of the preamble proposed by the Political Affairs Committee, which was particularly important in our view, constituting — as it did — in conjunction with paragraph 1 of the resolution — an unambiguous and unequivocal condemnation of all acts of terrorism occurring anywhere in the world. Unambiguous the text certainly is in spirit, or rather in the spirit in which it was conceived. But the wording of the first paragraph of the resolution didn't quite seem to us to reflect the idea that the first paragraph of the preamble was trying to put over; this is why, after a great deal of detailed study we tabled our amendment.

First of all, we should be quite clear as to what we mean by an 'act of terrorism'. As far as aircraft hijacking is concerned, including the taking of hostages — something unfortunately which seems to have been on the increase recently or assassinations, like those of Schleyer or the Lufthansa pilot, it goes without saying that acts like these will meet with the unanimous condemnation of every Member of this House. This is a particularly odious and despicable form of banditry — that is the word I would use to describe it — which no one can possibly support. There can be no justification whatever for any form of blackmail involving the lives of innocent people: not even — indeed, especially not — political motives, which can only do a disservice to whatever is the declared cause. In the latter part of the twentieth century and in a civilization such as ours, there are surely other ways of working for the success of what is seen as a just cause.

But let us be on our guard; for, by implicitly condemning any act of terrorism committed outside the Community, as the Political Affairs Committee's text invites us to do, are we not running the risk of

paradoxically justifying the kind of repression suffered by those who are opposed to dictatorial regimes, especially in Latin America? I would remind you that the French declaration of human and civil rights of 26 August 1791 says that 'resistance to oppression is a natural and inalienable human right'. And are not the actions of resistance fighters, guerillas and desperados opposing the brutal dictators and oppressors of their countries, outnumbered, ill-equipped and frequently engaging in bombings because they have no other means of resistance, are not these actions regarded as acts of terrorism by the powers that be in those countries? Or to put it another way, could not a Pinochet regard this text — where it speaks of condemning acts of terrorism committed outside the Community — as justifying the merciless repression he metes out to those who oppose his regime?

Our democratically-ruled countries are quite right to be broad-minded in granting asylum — a right held dear by all democrats — to those who are regarded as terrorists by their own governments, the governments to which they are opposed. And I could go on to cite any number of examples, particularly from the last war, where the resistance workers fighting nazism and fascism in France, in Germany, in Italy and elsewhere were regarded by those in power as common terrorists, and their actions as acts of terrorism.

This is why our amendment aims to restrict the field of application of this paragraph to the Community, that is, to countries whose forms of governments do not justify acts of terrorism of any kind. It is perhaps outside the competence of the European Parliament to take a stand against acts of terrorism committed outside the Community. This is in my opinion the preserve of the UN or any other international authority whose job the Community should not try to usurp. Let us stick to what happens inside our Community.

It is only with the benefit of hindsight that we can see that the ground work for acts of terrorism committed in one or another of the Member States of the Community may have been — and frequently is — done outside the country concerned by people who are not Community nationals, and even with the more or less explicit complicity of third countries. Hence the wording of the first part of my amendment: 'acts of terrorism ... which may begin ... outside the Community'. This, Mr Fletcher-Cooke, excludes none — and I mean none — of the acts of terrorism which might concern our Community.

These acts of terrorism may be continued and frequently — indeed, almost always — end outside the Community, particularly in the case of hijacked aircraft landing on the airfields of Asian or African countries prepared to take them. This is the point our amendment is trying to make, by showing — in its second part — that what we are talking about are acts of terrorism committed in the Community and 'which may ... be continued outside the Community'.



## Lagorce

At any rate, even if this amendment has the effect of limiting the scope of the motion as tabled, I think it must be done. By adopting this position, we shall be setting an example which can only encourage non-member countries which should be no concern of ours, and for which we should not have to take responsibility — to adopt a similar attitude. I would remind you, incidentally, that the title of the resolution speaks only of acts of terrorism in the Community. Prudence tells us that we should stick to this context.

Finally — and this is a purely personal comment — let me say that I regret the fact the motion attacks only the effects of terrorism and not its causes. Of course, this is another question and I must admit that I can at present see no way of answering it.

On the question we are discussing today and which — let me repeat — is concerned with terrorism within the Community, I would ask this Assembly, on behalf of the Socialist Group, to adopt my amendment.

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — (D) Mr President, ladies and gentlemen, this debate is already well advanced and I should therefore like to restrict myself to just a few, short remarks.

First of all, I should like to thank you, Mr Fletcher-Cooke, most sincerely for ending your introduction with a word of thanks. The gist of what you said was that the European Parliament should be as resolute as the German Government and the German people. Comments like these are very welcome, because it is my belief that by using constitutional means to defend the rule of law, the Federal German Government has shown clearly that a democracy is capable of defending itself. The world-wide reactions, Mr Fletcher-Cooke, have shown us how appreciative people abroad were of the Government's actions. They have, moreover, shown the German people that its Government can act decisively and hence also that the State has certain room for manoeuvre in the political sense and is not exposed helplessly to the whims of people I can only describe as half-wits. I think it was also important for us in the Federal Republic — and I would appeal to you to see things in the same light abroad — to dispel a certain political listlessness.

I think this is an important factor.

But, ladies and gentlemen, as other speakers have already said, we have — on a day like today — to think of the victims and of the possibility of more victims being claimed right now or in the next few days, before we have had a chance to deal conclusively with this problem. The list of victims covers a broad spectrum of the population — politicians, policemen, prominent businessmen, a pilot and chauffeurs. In short, terrorism is a threat not simply to a few individ-

uals but to whole sections of the population. It is therefore incumbent upon all of us not to belittle the kind of terrorism we are now confronted with. We must take the terrorists seriously. They are intent upon dismantling our democratic system and destroying the rule of law. What they want is chaos, and to achieve this end they do not balk at murder or even suicide. And therefore, for my colleagues and myself, — and I hope, for all democrats in Europe — there can be no ifs and buts, there can be no sympathetic understanding, there can be no explanations of the kind 'Well, let's look at it this way'; there must be no playing down the threat, ladies and gentlemen. We are talking about criminals operating a reign of terror, common criminals and despicable murderers. Anyone who sympathizes with them or even shows solidarity with them can expect to be treated no differently to the terrorists themselves. Those who do express sympathy with the terrorists are no whit better than those who use violence to achieve their questionable ends.

Apart from bringing the terrorists to justice, we must take a thorough look at the reasons for this spread of terrorism. My honourable friend Mr Lagorce was kind enough to mention this in passing.

What can possibly have caused these people to act the way they do or have done? In my opinion, we can only make the right decisions as to our future action by going back to the root causes and by putting ourselves in the position of thinking what many people must find to be inconceivable thoughts.

In particular, I would point out the dangers of any political group — in no matter what country — trying to exploit the activities of terrorists to their own domestic advantage. What we really need here is the much-vaunted 'democratic solidarity' — words alone will not do. They should and must be backed up by deeds. The Chairman of my party in the Federal Republic of Germany, Mr Brandt, put it like this: 'This is not the time for petty wrangling; this is the kind of situation in which many things have to be put aside'. I would very much go along with this statement. During the terrorist crisis, we got used in the Federal Republic to saying 'we' meaning not the government of parliament or this or that party or this or that political group but simply 'we' — i.e. everyone who was living under the threat of terrorism. *À propos* of this 'we'-feeling, we should perhaps note that any unnecessary conflict between democrats on the question of terrorists is bound to help the terrorists and harm the democrats. I think we should bear this in mind.

I think it important, however, to point out at this point that there can be place for the kind of hysteria we see emerging here and there. Anyone who attempts to use this situation to lump the more critical of our citizens together with terrorists, with the aim of thus prejudicing the process of critical discus-

## Seefeld

sion in our countries, will succeed only in restricting civil liberties and suppressing the thoughtfulness and ongoing discussion which we all desire and which is vital to the continuing existence of democracy. We would greatly appreciate it if this hysteria were to cease.

A second point: we must not allow the friendship between our peoples, the friendship between our nine Member States and the citizens of our nine countries to be jeopardized; this is another part of the terrorists' plan. What they are trying to do is to play us off against each other — politicians against politicians and peoples against peoples. This is all part and parcel of a definite strategy, and we must recognize the fact. We must not allow the terrorists to drive a wedge between us. The terrorists must be made aware that our governments will be working in close cooperation and — where possible — in even closer cooperation than before, particularly in this sphere, and in doing so our governments are of course following the wishes of the people they represent. The peoples of the European Community want safety, and they want us to take up the struggle against the terrorists and bring it to a successful conclusion. The peoples of our nine Member States do not want anarchy.

Let me therefore say that the struggle against terrorism concerns all of us. One government acting alone will never be able to overcome the problem, because we have seen that the terrorists operate internationally heedless of national frontiers. I repeat that every government should realize that it may well itself be confronted with this problem at any time.

Mr Berkhower, Mr Blumenfeld and others have given us the benefit of their thoughts as to what we could and should do. I don't want to continue this list *ad infinitum*; I merely want to say that we now have draft legislation in the Federal Republic of Germany based on certain new ideas to help us, for instance, in the search for stolen cars. We are at present concerned with the question of how registration plates could be changed or improved. To this end, we want to bring in new regulations to enable us to control the production and distribution of car registration plates in our country. We want to have these plates issued only on production of an official certificate. We want to make it compulsory for proof of authenticity to be provided to the authorities in connection with the production and distribution of registration plates. We also intend to tackle the question of the unauthorized possession of weapons and to make the punishments more severe. In particular, we want to include in this legislation fully automatic self-loading firearms — in other words, submachine guns — of the type frequently used by terrorists. I have mentioned all this to illustrate how various countries are trying to draw the necessary conclusions from the terrible events of the past. If this example were to be followed everywhere — as is provided for in our motion for a resolution —

we should have made some progress towards combating terrorism.

I would, Mr President, associate myself by and large with this motion for a resolution. Like my honourable friends, I shall give it my support and I can only trust and hope that the earnest atmosphere in which this debate has taken place today will be reflected in the work of the Council of Interior Ministers and among the police forces of our Member Countries so that our citizens will realize that the politicians are aware of the dangers of terrorism and are prepared to do whatever is necessary to eliminate the danger for the good of everyone.

President. — I call Mr Kunz.

Mr Kunz. — (D) Mr President, ladies and gentlemen, I should like to begin by thanking our rapporteur, Mr Fletcher-Cooke, most sincerely for his extremely objective and forward-looking report. I should like to make a number of comments of my own on this report and to add one remark dealing specifically with the root causes of terrorism.

Mr President, this House is quite rightly concerned about the increase in terrorism on Community territory. Indeed, there are grounds for fearing and even greater increase yet. This House was also right in establishing that the recent acts of terrorism in particular can frequently be traced back to international planning, the criminal intensity of which can hardly be exaggerated. The European Parliament is one with all the peoples of this Community in condemning unreservedly all acts of terrorism. Like this House, our peoples emphatically demand further improvements in the existing spirit of cooperation between the national authorities to carry on the fight on a broad front against all forms of terrorism. Moreover, the peoples of this Community expect every country in the world to refuse to grant asylum to terrorists. The European Community is committed to use every means at its disposal — political as well as economic — to ensure that terrorists shall nowhere be able to find refuge. If our common exertions were to yield fruit on this point, we should have reached a genuine milestone of international solidarity in our struggle against terrorism.

Mr President, the Federal Republic of Germany has been impressed by the gestures of solidarity and support it has received recently from its fellow members of the Community and from third countries. No one will overrate the occasional outburst of exaggerated criticism — yes, we have had those too — from a few foreign critics, some of whom have no idea at all of the democratic and liberal conditions obtaining in the Federal Republic of Germany. At any rate, I have personally been delighted with the many conversations I have had, particularly with foreign journalists, which have confirmed my — and indeed, our

## Kunz

— view that the people living in this Community stand shoulder to shoulder with us in the Federal Republic of Germany in the struggle against the terrorists and against all the various forms of terrorism.

The terrorists make a pretence of acting politically and make great play of civil liberties. In reality, though, their crimes have nothing whatsoever to do with politics. The essence of terrorism is not the give and take of opinions but simply murder cold-blooded, premeditated, cynical murder reflecting a fundamental contempt for human life. It therefore follows that the terrorists are nothing more than common criminals. Some of them claim to be acting on behalf of the working class. But how many of these terrorists even know any workers? How many of them know what conditions the workers live and work in? What right have these criminals got to claim allegiance to the workers? No right at all! It is highly satisfying to note that the workers in particular want to have nothing at all to do with these criminals.

Ladies and gentlemen, we shall have to concentrate on carefully and prudently increasing our body of legislation and the powers of the police to provide us with protection against acts of terrorism. I am one of those people who believe that our present legislation is inadequate for the job at hand. I feel no satisfaction in saying this but, Mr Seefeld, earnestly believe my view to be right, and I hope that in disputing fairly the rights and wrongs of our respective standpoints, we shall take each others' arguments seriously and do our utmost to guarantee the continued existence of one of our most elementary rights — the right to liberty, life and security. Such a goal — namely, the creation of additional legislation — is not aimed primarily at curtailing the rights of the accused. If the rule of law is to prevail, those accused before the law must enjoy certain rights. What it does aim at, however, is the recognition and reinforcement of the rights of potential victims — the rights of those who say: 'We want our lives and our freedom to be protected and we want to prevent any more innocent people falling victims to terrorism.' It is precisely in the context of our Christian and humanistic tradition that we are coming increasingly to realize that it cannot be right for those who ride roughshod over the lives and liberties of others to insist most coviferously on their own rights.

Mr President, ladies and gentlemen, important as the authorities' efforts to protect its citizens and to track down the terrorists are, it is just as important that we should wage at least an intellectual war against the causes of terrorism. The time available today is insufficient to enable me to go into this question in the necessary detail. Permit me just to make a few fundamental remarks.

I am firmly convinced that the belittlement — indeed, the disparagement — of fundamental values

and of the fundamental premises of human life which are to be found in certain doctrines, form part of the causal chain which led inexorably — consciously or unconsciously — to terrorism.

Along certain paths and at certain levels, ethical standards were debased and our moral foundations — including humanity, fellowship, brotherhood, marriage and the family, parents' love of their children — were undermined and eroded. Certain mass media and certain forms of education relativized rights and the sense of justice to such an extent that absolute relativity — tending towards a meaningless vacuum — became an end in itself. Children were encouraged to rebel against their parents. In the same way as life can never be free of conflict, so can society never be free of conflict. However, anyone who goes so far as to make conflict the central and sole element in life, anyone who robs conflict of its positive aspects by raising it to the level of an absolute value, anyone who regards every aspect of our society in a negative light and who will admit to nothing positive must himself face the question to what extent he himself bears some of the responsibility for the way things have gone. Some people even went so far as to regard conflict as the sole historical truth. And while I am on this point, I cannot avoid observing that many of those who approve of — indeed worship — conflict are marxist inspired.

It is high time for those who want nothing but conflict and negation to stand up and face criticism.

What we need — and I am coming to the end now — is to launch a new offensive, emphasizing the positive aspects. We have built up and achieved a lot together, but there is more to be done yet. There is more constructive work to be done! We know that a lot of things are right in our countries, and that some things are wrong. Of course there is room for improvement. But we should not allow hatred to dominate our thinking-blind and unrestrained hatred, allowing fanaticism and madness to prevail. Violence must be condemned unreservedly. Unfortunately, it was certain German university lecturers who thought they could draw a distinction between violence against property and violence against persons. At certain universities, students saw that breaking the law went unpunished if the perpetrator claimed to have acted for political motives. We must all of us concentrate much more on the fundamental values, on what really counts, especially personal liberty and the worldwide recognition of human rights. This is what we have to offer. These are values which will act as guidelines for our younger generation — admittedly, not only in abstract, but also in very concrete form, and we should all make a greater contribution towards encouraging our younger generation to help in building up fundamental liberties and values and in ensuring the continued development of those we already enjoy.

**Kunz**

We must, however, also recognize that additional rights for the individual mean a greater sense of duty towards the community at large, the more fully we adhere to these maxims, exemplifying the beliefs we hold and reinforcing our sense of justice. This is the only way we shall ever overcome the threat of terrorism. But what we must also realize is that the prevailing justice will only be as strong as our willingness to deal firmly with offenders.

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

**Mr Holst.** — (DK) Mr President, I feel I should speak once more as spokesman for the Socialist Group. In my first contribution to this debate I did not mention the amendment tabled by Mr Lagorce. I agreed with my group in thinking it proper that Mr Lagorce himself should move this amendment which, as we see it, is aimed at making the text of the motion for a resolution more precise. This motion for a resolution indeed deals with acts of terrorism in the Community, but as far as we can see there is no fundamental difference between Mr Lagorce's attitude to this matter and that of Mr Fletcher-Cooke. On the other hand, we cannot support Amendment No 2 by Mr Durieux. The Socialist Group understands and acknowledges the intentions and wishes underlying Mr Durieux's amendment, but since the text might be misinterpreted or misunderstood, and since in our view it is a little too ambiguous, we intend, in accordance with what we said earlier about the desirability of everyone supporting this draft report, to abstain from voting.

Finally, I should like to address a few remarks to Mr Nyborg who said that it would be right to introduce the death penalty for terrorists. This would, in my view, be in direct conflict with both common sense and humanistic concepts. To me this suggestion came like a dank, chill wind from the dark ages. As I said in my first contribution, one cannot fight terrorism with terrorism. Terrorism is a criminal act, and I have never either condemned or praised countries which already have the death penalty for criminal acts. I naturally let it pass. It is surely not up to this House to decide one way or the other in this connection.

All I can say to Mr Blumenfeld is that I have known him for many years and have often been pleased at the line he has taken in the Council of Europe. However, I was not so pleased today on one point. If we are to bring party politics into this matter, I nevertheless think that this is the wrong place and the wrong time to do so. I do not begrudge Mr Blumen-

feld the small political advantage he might gain in his own country from this kind of attack or comment on the German Government. All I can say is that we in other countries, as Mr Fletcher-Cooke very rightly pointed out, are full of admiration for the decisiveness that government demonstrated, and we would have been just as impressed, Mr Blumenfeld, regardless of the political views of the government in question.

Finally, I should just like to say that I am glad that no one here today has suggested a witch-hunt against social-critical political organizations, though we came very near to this. As I said in my first contribution, the terrorists are not fighting for any political aim recognized by normal political parties. All they are concerned with is destruction and crime, and for this reason I should merely like to urge the entire Parliament once more to join in supporting this draft report and Mr Fletcher-Cooke's assessment and views.

**President.** — I call Mr Davignon.

**Mr Davignon, Member of the Commission.** — (F) Mr President, I have a number of things to say, but I shall be brief.

The first thing is that there can be no doubt as to the Commission's attitude to acts of terrorism like the ones we have experienced. This is why the Commission — acting through its President — made a point of assuring the Government of the Federal Republic of Germany, right through the tragedy which occurred a few weeks ago, of its support for the actions the German Government took to defend the principles on which our society is based.

The second thing is that the Commission urgently desires the creation of a legal instrument to cover all the Member States of the Community. We hope now that all the existing conventions will be ratified by the Member States to ensure that there is no legal difference in the way the Member States tackle this problem.

My third point concerns the specific problems discussed by the honourable Members in the course of this debate and which — insofar as they deal with the technicalities of combating terrorism — are essentially the concern of the Member States. It is not up to the Commission to concern itself with discussions of a technical nature on the best means of combating terrorism. Wherever the necessary legal instruments are unavailable and wherever these touch on its own sphere of competence, the Commission will give its full support.

These were the three points I wished to make on behalf of the Commission at this stage of the debate.

**President.** — I call Mr Fletcher-Cooke.

**Mr Fletcher-Cooke, rapporteur.** — Mr President, I reply briefly because, unfortunately, I cannot stay for the vote tomorrow at 4.30 p.m.

I am most grateful for the kind words and gracious reception this report has received from Left to Right of the whole spectrum of political views represented in this great chamber. I appreciate also that the two amendments before us are, in fact, somewhat more desirable than I at first thought. I think I did Mr Lagorce an injustice in the first remarks I made. I have read the text very carefully again in the light of what he said and of what Mr Holst said, and it seems to me that, as Mr Holst observed, it makes no serious change, if any, in the original text. Therefore, speaking for myself I would accept it.

I would also accept—though this may be rather more controversial—the second amendment, that of Mr Durieux. I do not know in what respect it is considered to be ambiguous, but it does express a very determined view and one which has received widespread support, and, as I indicated earlier, I find myself in sympathy with its message. Again, therefore, speaking for my personal views, I would like to see it embodied in the motion for a resolution.

Finally, I am well aware, as was said to me directly from across the chamber, that the pleas for resolution and firmness and support will inevitably produce a lot more innocent victims. I, too, have seen innocent victims of terrorist bombing in London and other parts of the United Kingdom; they are a horrible sight. It is something which nobody looks forward to, but which must be supported. We must expect more such innocent victims if we are to carry through with the course upon which we are set and which I hope this resolution will in some small way help to further.

**President.** — I call Mr Blumenfeld.

**Mr Blumenfeld.** — (D) Mr President, I asked Mr Simonet whether, since he has been listening to this extremely important debate, whether he would like to reply in his capacity as President of the Foreign Ministers' Conference. I should be grateful if he would say something.

**President.** — I call Mr Simonet.

**Mr Simonet, President-in-Office of the Council.** — (F) Mr President, I shall be very brief. I have listened very closely to the various speakers. No matter how much sympathy I could display towards the feelings and ideas put forward in this House, the matter is too serious for me to adopt a position in a debate on a problem which comes within the responsibility of all

the governments, not only of the Foreign Ministers and which, in addition, concerns mainly the Ministers of the Interior. I shall inform my colleagues, and ask them to inform their respective governments, of the worries which have been expressed here; but when human lives are at stake, I never speak off the cuff!

(Mixed reactions)

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

### 13. Agenda

**President.** — I call Mr Vandewiele on a point of order.

**Mr Vandewiele.** — (NL) Mr President, I wish to refer to the oral question with debate put by Mr Müller-Hermann, Vandewiele and others to the Council of the European Communities on fisheries policy. In view of the advanced hour and the fact that a full-scale debate is to be held on this problem during the next part-session, and in the knowledge that at present the Council can provide very little information on the matter, the authors of this question would like to propose that it be withdrawn and the whole problem dealt with at the next part-session.

**President.** — I call Mr Spénale.

**Mr Spénale.** — (F) Mr President, Mr Cointat has just asked for two questions to be postponed until the December part-session. Mr Vandewiele is now making the same request for another question. And yet we are perfectly well aware that the next part-session, in addition to having the usual number of questions on its agenda, will also be the last stage of the budgetary procedure!

I would therefore ask the Presidency not to commit itself but to submit this proposal to the Bureau, since I am very much afraid that the December part-session will be very full, with the budgetary debate, all the items carried forward from this month and all the other items which may yet be put down for discussion!

**President.** — I call Mr Simonet.

**Mr Simonet, President-in-Office of the Council.** — (F) I do not wish to express an opinion on Parliament's agenda in December, but I can reassure Mr Spénale by informing him that, at any event, it is intended to hold a debate on fisheries during the December part-session. Mr Vandewiele's proposal simply means that today's debate will be incorporated into this general debate. In fact, the Belgian Minister of Agriculture, Mr Humblet, has already made arrangements to attend it.

**President.** — Are there any objections?

It is agreed to postpone this item.

✓ 14. *Date of direct elections to the European Parliament*

**President.** — The next item is a joint debate on

— the oral question with debate, put by Mr Berkhouwer on behalf of the Liberal and Democratic Group to the Council, on the date of direct elections to the European Parliament (Doc. 294/77):

If the May/June 1978 deadline for direct elections to the European Parliament, laid down in the Council Act of 20 September 1976, is to be observed, should it not be regarded as a matter of urgency for the Council, pursuant to Article 10 (1) of the Act, to fix as soon as possible a firm date for these elections?

— the motion for a resolution, tabled by Mr Berkhouwer on behalf of the Liberal and Democratic Group, Mr Fellermaier on behalf of the Socialist Group, Mr Klepsch on behalf of the Group of elections to the European Parliament by direct universal suffrage (Doc. 386/77).

I call Mr Berkhouwer.

**Mr Berkhouwer.** — (NL) Mr President, we are in the happy position of not requiring the President of the Council of Ministers to speak of the cuff in answer to this question. This was his objection in the foregoing debate on combatting terrorism.

The matter we are concerned with now is, in my opinion, one of two important questions at present facing the Community. These two great challenges are, on the one hand, the question of enlargement and, on the other hand, direct elections.

For years now, we have been arguing about which should have priority — increased powers for Parliament or direct elections. We were always hearing that direct elections would be meaningless because we would then have a parliament with no powers, to which our reply was always: Well then, give us more powers. But that could not be done because we were not directly elected. The declaration of 20 September 1976 put an end to this merry go round.

We are all acquainted with the historical facts. Once upon a time we had summit conferences. These were followed by the European Council — these were the meetings at which decisions were taken. Once these decisions had been taken, no one ever remembered to put them into effect. The important thing was that the decisions had been taken — everyone could then go home from the meeting, saying 'We've done a good day's work! But as soon as — as we say in the vernacular — we got down to the nitty gritty, the whole thing was forgotten. The classic example of this is undoubtedly the Tindemans Report, but I shall refrain from going into that just now.

The point of my oral question is to ensure that the resolution adopted on 20 September 1976 is complied with. This is all that matters. It was decided to hold elections to the European Parliament in May or June of next year, provisionally on the basis of the system of voting chosen by each of the Member States. I tabled my question in September for inclusion on the October agenda, and I think this is a very opportune moment to be dealing with it now in view of the European Council scheduled for the beginning of next month.

Now don't let the President of the Council try and fob me off by saying that my question will have to go unanswered for the time being because the Convention has not yet been ratified by all the national parliaments and the ball can only start rolling once that stage has been reached. May I ask the President of the Council as a professional politician to spare me that reply. That is not the point at all. Formalities is not what it is all about. What does matter is that, on 20 September 1976, not the Council but the governments of the nine Member States took that decision in accordance with Article 138 of the Treaty. I am, of course perfectly well aware that this decision needs to be ratified and I am also well aware that the decision cannot be implemented we have been notified that all the national parliaments have ratified the Convention.

But what we are talking about here and now is not formal questions like the ratification of the declaration by the national parliaments. What concerns us is that we reached agreement ...

**Mr Simonet, President-in-Office of the Council.** — (NL) But you are a member of your national parliament.

**Mr Berkhouwer.** — (NL) ... I am speaking now not as a member of my national parliament but as a member of the European Parliament and you are here in your capacity not as a minister in one of the Member States' governments, but as the President of the Council — perhaps even of the famous European Council, and I am not putting questions to you as a member of the Netherlands Parliament. Unfortunately, I still have to be a member of my national parliament to be a member of this Parliament. I hope that will change in the future, just as I also hope that the time will come when we shall no longer have national ministers, but real European ministers who will not try and hide behind any excuse that is going to avoid giving answers ...

**Mr Simonet, President-in-Office of the Council.** — (NL) Let me just say this to you. I suppose you realize that you are going a bit too far in your choice of words. The approval of the Convention by the national parliaments is by no means a formality and you know it.

**Mr Berkhouwer.** — (NL) ... I am just coming to that. I am sufficiently aware of European politics to know that there is some sense in this question. My question is not a stupid one. And you obviously do see the point of it! We understand each other very well. The real point at issue is simply what you say in your capacity as President of the Council. And because you are such an important figure on the European political stage, and because I know you are a man of goodwill, I should be grateful for a glimpse of this goodwill in this regard. I would greatly deplore any attempt on your part to give evasive replies on the formal part of the Convention. That would be deplorable and I trust you will not do so. What we are talking about here is not even the presidency of the Council or of the European Council; this has to do with the governments of the nine Member States. I said the same in a different capacity back home to my own Government and my Government is doing everything in its power to ensure that the elections will take place simultaneously in all the nine Member States. There was one leading politician in Europe who thought fleetingly of having the elections held in only eight of the Member States; which was not a good idea in my opinion. Perhaps the President of the Council could say a few words on this subject. Does he go along with me in thinking that the elections should only be held simultaneously in all nine Member States?

Irrespective of when that might be? It would be interesting to hear what the President of the Council thinks of this matter. That the elections would have to take place simultaneously in all the Member States was known to the Six as early as 1958 and to the Nine as early as 1 January 1973! That is why my words are directed not at any single Member State but at all nine. The President should take due note of this, as should everyone else, no matter which country he or she may come from. We are now being told that it may not be possible to hold the elections simultaneously, some of the Member States choosing a Thursday as polling day and others a Sunday. That argument, as we well know, does not hold water, because the Act provides for a polling period from Thursday up to and including Sunday. And we have heard other arguments like this, all of which are equally unconvincing.

The situation now is that the necessary legislation has — as Mr Simonet pointed out — cleared the parliamentary hurdles in practically all nine Member States. We are aware, however, that in one of the nine Member States this is not the case. However, we get the impression that the prospects in the ninth Member State are perhaps considerably brighter than they seemed to be up to a short time ago. I should therefore now like to appeal to the good offices of the President of the Council who will of course have an important part to play in the forthcoming European Council, to be held at the beginning of December.

I cannot imagine that, in discussing the various problems facing Europe at the present time, the members of the European Council will ignore the vital question of direct elections to the European Parliament. Indeed, I would say that every government present at the Council — and wherever possible with the backing of its national parliament — will be taking decisions in its own country which will have repercussions far beyond its national frontiers.

What we are talking about here is a matter of fundamental importance to the whole of the European Community. What happened on 20 September 1976 was not just another meeting of the European Council. The upshot of that particular Council was a solemn declaration by the governments of the nine Member States, proclaiming that direct elections would be held and that polling would be in May/June 1978 ...

**Mr Bertrand.** — (NL) Article 10 states that the Foreign Ministers' decision on the date of elections must be unanimous.

**Mr Berkhouwer.** — (NL) ... Mr Bertrand, you have taken the very words out of my mouth! We cannot deny that agreement has been reached on this deadline and that Article 10 of the Act requires the ministers to stipulate the exact date.

This is the whole point of my oral question, which has the backing of practically all the members of this House. The Act solemnly agreed on May/June 1978 as the election period and Article 10 states that a precise date must be laid down in this period May/June 1978. Is it not then high time that this date was fixed? We could even fix the date subject to the national parliaments ratifying the Act in the interim.

I myself am still optimistic as regards this ninth Member State, whose decision we now all eagerly await. I even think it possible — provided general agreement is reached on the electoral system and the nature of the constituencies and whatever else is relevant — that we can still make it by the date laid down. I do not think there is any call for us to give way to pessimism; after all, where there's a will, there's a way. And given our fair share of goodwill, I believe that everything can still be arranged. I furthermore believe that we should resist the temptation to put in a word for whichever system we favour personally while one of our Member States is still engaged in making the necessary arrangements for direct elections. Personally speaking, I would of course favour proportional representation, but, in the last instance, the choice rests with the country and the parliament concerned. That is all part and parcel of a national parliament's right to self-determination which we must respect. This is also the intention expressed in the Acts to which we are signatories.

**Berkhouwer**

But with all the good will in the world, we must not countenance any extension of the deadline or whatever. For the time being, we must not even think about the possibility. I assume that — like me — Mr Simonet also had legal training. The first rule we learnt was that agreements must be respected and the Act of 20 September 1976 is just such an agreement which will have to be implemented. This is something about which there can be no argument. If we abandon that principle, we shall be lost! This is the reason for my fundamental question to the President of the Council. If all nine Member States have the political will to see that direct elections take place in the period laid down, is it not high time the European Council got down to discussing the question. What else can they have to talk about? I should be most grateful if Mr Simonet were to say that the Community institutions — that is, the Council and the Commission — will be bringing this question up at the meeting of the European Council.

What is there to prevent Mr Simonet and his opposite number at the Commission having this question placed on the agenda for the European Council at the beginning of December? If anything is urgent, surely this is!

That is the point of my question and I flatter myself that Mr Simonet will be gracious enough to give me a constructive answer. You see, Mr President of the Council, the question of direct elections concerns not only us but you as well, not to mention our absent friends from the Commission, whose absence — a collective absence this time — once again sets a glittering example ...

The Commission is very fond of saying that it attaches great importance to an ongoing dialogue with Parliament (*Laughter*). Now that we are discussing a matter of considerable importance, and even at a reasonable time of day, giving us a chance to improve this famous dialogue — after all, the Community depends on our internal cooperation — thank God that, to his credit, at least Mr Simonet is present. I repeat that this whole business of direct elections and strengthening Parliamentary democracy in Europe — which we have been discussing all day today — concerns not only us but also all the other political institutions of this Community, the Commission just as much as the Council. I therefore hope that the President of the Council will reply in a positive spirit and will be prepared to be rather more forthcoming than he was on the matter we debated before this question came up for discussion.

**IN THE CHAIR : MR COLOMBO***President*

**President.** — I call upon Mr Simonet.

**Mr Simonet.** — *President in Office of the Council.* — (F) Mr President, I should like to give my interpretation of the Commission's absence. Mr Berkhouwer

has alluded to the Commission's wish, one expressed many times over, to hold a frequent dialogue with the Parliament. But it is somewhat difficult to have a dialogue with Mr Berkhouwer, since I caught him out just now giving replies in advance to the questions which he was asking me, and suggesting replies which I did not intend to give. I assume that the Commission decided that since Mr Berkhouwer was both asking the questions and giving the answers, it no longer needed to be present ...

(Smiles)

**Mr Berkhouwer.** — (F) The Commission could not have known what I was going to say!

**Mr Simonet.** — (F) ... But I shall reply to the questions which Mr Berkhouwer has put to me, first by describing the facts as they are and then by setting out the policy of the Belgian Government and in particular of its Foreign Minister, the President in Office of the Council.

We had intended asking the next European Council to deal with the problem of fixing the date for elections by universal suffrage even before you brought it up. Indeed we think, as do you, Mr Berkhouwer, and as, I believe, do all the Members of this Parliament, that a major political issue is at stake, and that if by some misfortune the Community has to depart from the decision which it took some years ago to hold the elections in 1978, around the months of May and June, it would be a serious blow to the Community. We shall therefore do everything we can to ensure a definite reply at the European Council from the last government to settle its problems on the likelihood of its participating in the elections in May or June of next year. Those are our intentions.

I should now like to add two observations, upon which I trust Mr Berkhouwer will allow me to expand a little. I had a legal training, not as good as his no doubt, but sufficient for me to remember the principle which he mentioned, according to which conventions are binding on their signatories. Mr Berkhouwer has long been a Member of the Parliament and I assume, also of his national parliament. He will perhaps remember a political event which took place, or rather which failed to take place, 23 years ago, and which if it had taken place would perhaps have made the Treaty of Rome superfluous. That event was the Treaty setting up the European Defence Community which the French Parliament refused to ratify. We are all aware of the importance of that for all our countries and for the development of the Community. I repeat that if there had not been that setback in the French Parliament, things would probably not have got off the ground again at Messina and Treaty of Rome would not have been signed. There would of course have been a Community, I do not know of what sort, but it would probably have been very different from



## Simonet

the one that we have. To remind us, as Mr Berkhouwer has done quite rightly and justifiably, that a convention which has been signed by a government must be implemented by that government, seems to me to be taking very little account of political reality and of the fact that in at least one state the Parliament still has to be persuaded to ratify this convention. I did not interrupt you just for the pleasure of drawing your attention to this detail. It was because it seems fairly clear to me that whatever the goodwill of the eight other Member States, if a majority of the British Parliament does not decide in favour of ratification and at the same time of an electoral law allowing these elections to take place in May or June, we shall not attain our objective whatever pressures we may bring to bear or efforts of persuasion we may make — apparently our bark is worse than our bite.

Now I can assure you that the British Parliament is in this case stronger than the eight other governments put together, and probably even than the British Government. In these circumstances, therefore, a majority must exist to approve both the electoral law and the draft convention providing for European elections. Only then, and not before, will it be possible to fix the date of the elections. This is not a legal quibble, it is a political reality. I would add that the British Government has assured us that all the legislation will be passed as soon as possible, and from that moment on the situation in the Community will be clear, since the Parliaments of all Nine countries will then have ratified the convention. But this clear situation will tell us either that the elections will be held on the planned date, or else that they will be held at a later date. And this latter prospect, which would be equally clear but, alas, much more discouraging, will be evident as soon as we know the electoral system upon which the British Parliament has decided.

Having said that, I shall not insult you by assuming that you are not perfectly aware of the attitude of the British Parliament in this respect. Indeed it would be useless to try to disguise the true situation. If the British Parliament decides in favour of majority voting, that is for the form of ballot currently used for national elections, it is very difficult, with all the goodwill in the world, including that of the Government and the Parliament, to see the elections taking place in May or June of next year. This would then bring about a completely new political situation, which would of course imply that a new date would probably be fixed, and that this time it would be fixed in the knowledge that all necessary precautions had been taken to ensure that the date was respected.

That, Mr Berkhouwer, is how we see this matter. I can assure you that all the steps which we could take to induce the British Government to make up its mind have been taken. It may be that in the event the European Council will not have a clear overview of the situ-

ation, but in that case we would hope to fix a final time limit for obtaining information on the situation in Great Britain. Indeed it is only then that it will be possible to fix the date of the elections. Beyond that, I believe that it is not within the power of any State, even that which holds the Presidency for six months, to go further in persuading the British to move more quickly and, even more difficult perhaps, to modify their electoral system since that would enable the elections to be held on the date previously envisaged.

President. — I call upon Mr Davignon.

Mr Davignon, *Member of the Commission*. — (F) Mr President, I cannot resist replying to the question put to us by Mr Berkhouwer and recalling the Commission's position in this matter. One of its tasks is to be the guardian of the Treaty. With the help of the Parliament and in cooperation with it, the Commission has fought for years to achieve a convention providing for direct elections. It is therefore not likely that just when that convention has been brought into existence, the Commission will abandon its endeavours to make direct elections a reality.

Having said that, it supports the efforts made by Belgium during its term of office as President of the Council to open the necessary discussions in which the Commission could make its voice heard and thereby create the right atmosphere for the result we would all like to see to be achieved.

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

Mr Spénale. — (F) Mr President, the reply of the President in Office of the Council has injected a certain amount of clarity into this debate, and thereby rendered a large part of my speech superfluous. I must however say that the Socialist Group wondered at one stage whether this debate was taking place at an opportune moment, since it did not perhaps seem of immediate importance, and even we had had to acknowledge that in spite of the definite date announced by the European Council and never questioned since, doubts were being expressed by those in authority, who were using arguments which we cannot accept. Indeed, we have too much respect for the Heads of State and Government who decided at the Rome Summit of 1975 that the elections would take place in May or June 1978 to claim that they might have been inconsistent, or that they did not know the political realities and the structures of their respective countries. We are now told that in certain countries there are problems of electoral law or electoral custom, problems of administrative structure, ethnic problems or problems with migrant workers, and that all these things make the situation extremely difficult. We do not dispute that, but we think that when a time limit of 21 months was fixed in December 1975,

## Spénale

all this was known, and I don't think that Belgium has discovered its problem of linguistic communities, or Italy its problems of migrant workers and its regions, or Germany its Länder, since taking the decisions at the 1975 Summit. We must therefore remind you now that these responsibilities were undertaken in full awareness of the facts, and that most of the national parliaments themselves, in ratifying the act of 20 September 1976, were aware of the time limits contained in its preamble.

Indeed, if one looks closely at the matter to see where the various responsibilities lie, one must remember that at the outset only two countries expressed reservations on the date: Denmark, which wanted the elections to take place at the same time as those for the Folketing, and Great Britain, whose government declared that it would make every effort to meet the deadline, but could not give any assurance of success; that it realized that others took the view that if it did not succeed they would not be able to go forward without it, but that that was their interpretation, for which it was not responsible.

What progress has been made since then? Considerable progress has been made in Denmark, and last week the Socialist Group was in contact with the Danish Prime Minister, Mr Jorgensen, who told us that the Danish reservations has been overcome and that the draft electoral law was ready, providing for one representative for Greenland and a single constituency in Denmark for the 15 other members. He made it clear that in his view this law had every chance of going before the Folketing in December and that the Parliament would be ready for the deadline of May/June 1978. I think this is worthy of note, since this is taking place in the Member State where membership of the Community is the least popular, thus showing that we should pay tribute to the political will shown by the Government, Parliament and political parties in Denmark to create real democracy at Community level.

In the other category — the seven countries which has not expressed any reservations — some, such as France, completed all their procedures for making elections possible before the summer holidays. Elsewhere, the drafting up of the electoral law has come up against technical and political difficulties which could easily have been foreseen, and we remain convinced that they can be overcome if all those who call themselves militant Europeans and democrats in these countries apply to this matter all the political will which they generally show in many other fields. There remains the British case, and it is that to which you were referring, Mr President, when you spoke of the ninth State. I think that Britain has become an excuse for the others, since it appears that everyone now looks at what is happening in neighbouring countries and says to himself: why should we hurry when

others are late? The building of Europe begins to look like a slow bicycle race, in which the last one home is the best pleased with himself.

In this matter Britain appears to have taken the lead in slowness, in a way which it does not seem to have desired. But we cannot ask it to do more than it has promised, which was to do everything in its power. That, therefore, is what we ask of it, recognizing that the means by which it will do everything in its power will depend on the choices open to it, its sovereignty and its determination.

Since, in the final analysis, everything depends on Britain, I should like to conclude by making to our British friends, wherever they may be sitting in this House, an appeal which is also a tribute. I sincerely believe that you have special responsibilities in this matter at this particular time arising from the very significance and greatness of your history: first because Britain is in a sense the mother of all modern parliamentary democracies, which are our common form of citizenship and politics; and then because you stood alone, a third of a century ago, in the face of triumphant nazism and fascism, during weeks which history will never forget, to save democracy and the parliamentary system in Europe through what Churchill called blood, sweat and tears.

That was certainly much more important than what we are asking of you today; it was also much more difficult. We are asking you to help us for a third time, because I hope — and I say it with much respect and friendship — that since democracy and Europe owe so much to you, it will never be possible for malevolent tongues to say — as I would never dream of saying — that you have delayed the hour of democracy on the clocks of Europe.

*(Applause)*

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

**Mr Klepsch.** — *(D)* Mr President, ladies and gentlemen, there are certainly some disturbing overtones to today's debate. Parliament warmly welcomed the decision reached at the summit conference and tried to complete its share of the work as quickly as possible when the governments agreed that direct elections to the European Parliament should not be held in 1980, as Parliament itself had proposed. We were thus gratified and pleased when the heads of governments decided that direct elections would take place in 1978. Parliament was in no way to blame for the problems which subsequently emerged: in fact, this House worked carefully but promptly to reach its decisions and submit these to the heads of government, and then — after a while — the decisions were signed. However, now that the scheduled date is approaching we are faced with a newspaper publicity campaign in which there is a marked lack of any

**Klepsch**

assumption that the elections will really be held in May/June 1978. That is a fact which we cannot ignore!

We all know that minor technical problems have still to be overcome here and there, but the most disappointing aspect as far as my Group and myself are concerned is that we can get absolutely no information on the scheduled date. I fully appreciate the need for the diplomatically roundabout reply given by the President of the Council, but if I understood him correctly, he has given us no definite date either. Unless I am mistaken, he has not even given us any indication of when he will inform us of the decision of the heads of government on the timing of the election.

We find this particularly disappointing as all the other preparations have been made, and the debate concerning the deadline for the elections has suddenly shown that new dates are constantly being mentioned in public. I was pleased to hear Mr Spénale's comments. We thank you for your efforts with your Danish friends and also for addressing your Labour Party colleagues in this House. I appreciate this very much.

What I have to say concerning the British is quite straight forward and to the point. Their Government's problem is of an internal nature and is connected with the electoral laws. We are aware, Mr Patijn, that the minority government in Great Britain has concluded a coalition pact which does not have the backing of all of its own members. That is the problem which we have grapple with, and it is naturally disappointing for all of us that we have to wait until the British Parliament has reached a decision. We already know the outcome. A controversial vote on the electoral system will be held in the House of Commons, but from what we have been told by our British colleagues of all political persuasions we are fairly sure of the result of the vote and that it would appear that the present Government is not particularly interested in holding the vote at the earliest possible date.

We should therefore like to recall the promises made by all the governments and prime ministers, including the British Prime Minister, and so I thank Mr Spénale for reminding our British colleagues of these promises.

We are particularly disappointed that we may still be kept guessing about the election date for a very long time. As we are now constantly telling the people of Europe that direct elections will be held in May/June 1978, we cannot keep on postponing them. If the House of Commons has not voted by February of next year, discussions on new dates will have to be started.

My Group therefore has two requests to make. Firstly, the heads of governments should see to it that the

elections are held at the same time in all nine countries. We feel that this is extremely important for the image and the efficiency and effectiveness of direct elections to the European Parliament. Secondly, we think that a decision on a realistic election date should be made as soon as possible — this is only fair, as the citizens of Europe have a right to know. Unfortunately, we are not responsible for setting a date, otherwise the matter would have been settled by now. This is the responsibility of the nine governments, and I should like once again to emphasize this point most strongly. The fault in no way lies with the European Parliament or with any of its political groups but with those heads of government who have so far not fulfilled the promise they made to the people of Europe.

We appeal to your sense of responsibility and ask you to impress on your colleagues the fact that no greater damage can be done to the concept of European unity or direct elections than by making these first direct elections an object for internal political squabbling. We therefore state most emphatically that we expect the Council and the heads of government to put an end to this uncertainty and fix a date. A week or a month either way, even two or three months, is immaterial: what we want is a definite date. When the President of the Council stated just now that he had a definite date in mind, I took him to mean that such a date has in fact been set. It would have been nice if he could have told us it, as we could all have gone home that much wiser. Since you have decided to give us this information, Mr Simonet, perhaps you could specify a date.

My Group is aware that many difficulties have still to be overcome, but we believe that the problems in the other eight countries are not likely to cause a lengthy delay. Therefore, we merely ask that this question be clarified. On behalf of my Group I should like to extend my sincere thanks to Mr Berkhouwer for taking the initiative in seeing to it that the matter will be discussed at a plenary session of the House before Mr Simonet's next meeting with his colleagues.

*(Applause)*

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

**Mr Durieux.** — *(F)* Mr President, like my colleagues I am responding to the wish you expressed during the Bureau meeting in Berlin that the chairmen of Groups should speak on this important subject, and I too thank Mr Berkhouwer for putting this question on the date of direct elections. I would remind you that since 1960 this Parliament has constantly fought to achieve its election by direct universal suffrage. As previous speakers have mentioned, our efforts were rewarded by the agreement reached by the Council on 20 September 1976.

## Durieux

Today, therefore, we have the task, and I would stress this, of reaffirming before public opinion our determination that the deadline of May/June 1978 should be met, and of asking all our governments to make every effort to fulfil the common commitment made at the Council of Ministers and at the European Council. At a time when it appears that the necessary procedures enabling the elections to take place on the date envisaged will very probably be completed in time in eight Member States, we cannot accept any postponement, particularly after so many years of effort and when so close to success. Mr Spenale has reminded us that even Denmark, which entered the Community timidly, has taken all the necessary measures, as indeed other countries including my own have already done.

Thus it is the duty of each of us not only to respect commitments undertaken, but also to be fully aware of the political and psychological consequences of postponement. Moreover, those States which do fulfil their commitments should bring pressure to bear to ensure that their efforts are not in vain. This is in fact a question of responsibility: it is said that Europe should have a democratic assembly which would be able, in relation to the Council, to end the stagnation of Community activities. Well, let all those who make such declarations put them into practice. There must be no further hedging. It is often said, and rightly so, that public opinion is at the moment not sufficiently interested, and that if the elections are to be a success a large publicity campaign is necessary. This is true, but nonetheless there are already many people who take an interest and expect much of these elections. If we are incapable of meeting the challenge, and if we attempt to explain to them that it is only a temporary setback and that we shall achieve tomorrow what was impossible today — when in fact it is political will which is lacking — will they follow us? It is precisely because political will is involved that the direct elections can and must include all nine countries, that is including Great Britain, and on the date envisaged. That is why we cannot accept their postponement. Of course, as Mr Spenale has said, we cannot ask of Great Britain more than it has promised.

As was emphasized in the motion for a resolution which Mr Berkhouwer put down on behalf of our Group, it is for the European Council next December to take a final decision on the exact date of direct elections. Obviously, as the President-in-Office of the Council stressed just now in his speech, it will be difficult for the Council to set a date if Great Britain has not by then passed its electoral law. Like those who spoke earlier, I would therefore urge our British friends sitting in this House to do everything in their power to make these elections possible.

I would add that, if the only result of this European Council were to be a vague promise to hold the elections as soon as possible, such a declaration might well be the death-knell of the elections.

The Heads of State and of Government have committed themselves: the next Council must therefore set a reasonable date and this should be spelt out in the clearest possible terms. While I am on the subject I should also like to say that we think it highly desirable that the European Commission should take a firm stand on the matter, for these elections concern us all; all the institutions are affected, since the very existence of the Community is at stake. And we, too, are waiting for a communication to this effect from the Commission.

I should also like to say a few words about the electoral law. Although, as we know, each Member State is initially free to pass an electoral law of its own, we note that in the Community as a whole the situation is in general much better than one might have hoped, since in practice the same electoral system has already been adopted or is about to be adopted shortly in several Member States, and this system is perhaps the forerunner of the future common system, namely proportional representation. It is this question which raises the well-known difficulties in Britain and could hold up the elections. But the British Parliament, like any other national parliament, is sovereign. We would therefore make another appeal to our British colleagues. We reaffirm that there will be no need to postpone the vote if a clear political will to hold the elections is manifest from the start, and if everyone takes full account of the fact that the Europe of the future can only be a Europe chosen by all and not merely by a section of the European population, and finally that only proportional representation will prevent the votes of more than 5 million British Liberal electors from being wasted. But that is the British Parliament's concern.

When we demand a real Parliament for Europe, that is an institution which will not be merely an excuse for doing nothing, we want the elections to involve nine and not eight or seven countries; but we ask in exchange that Britain should overcome the last obstacles to holding the elections in May or June 1978, and that the serious consequences of any postponement of the date of direct elections should be taken into consideration. In this matter, which is decisive for the future of Europe, everyone must take his share of the responsibility. We do not doubt that the European Parliament will today take its share of the responsibility, as it has always done in the past.

*(Applause)*

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

**Mr Cousté.** — (F) Mr President, we must be grateful to Mr Berkhouwer for his question. Mr Simonet was correct in saying that the question is very clear and, if I have understood his reply, this clarity results from the fact that the political situation in most of the Member States is not at all clear. He said so with a frankness for which we are grateful to him. That said, he implied that if simple majority voting were chosen in Britain, the May/June 1978 deadline would probably be impossible to meet for the whole of the Community. The statements made just now by some of our colleagues prove the usefulness of this question. I should therefore like to recall on behalf of my Group that, in deciding to go ahead with preparations for direct elections in conformity with Article 138 of the Treaty of Rome, all the Member States made a clear and solemn undertaking to respect the May/June 1978 deadline set in Rome by the European Council of 1-2 December 1975.

This commitment exists, and even the French — or rather a section of the French Parliament which could at times have been considered reluctant — have at last allowed the procedures to be completed, as our former President, Mr Spénale, said quite rightly just now. One can therefore say that the necessary measures have been taken, both by the Member States and by the institutions, and I was very pleased to hear Mr Davignon reminding us that the Commission shared our concern. We have even gone beyond the basic measures, since we have set aside part of the budget for a publicity campaign — I mention it as our budget debates have just finished. Even within the Parliament itself, therefore, we have done everything necessary, and we cannot be criticized from this angle. Let me say finally that these direct elections are a necessity, for any postponement would disappoint public opinion, whose spokesmen, albeit indirectly chosen, we seek to be.

Public opinion would be disappointed if this date were questioned, and our parliamentary institutions, especially the Parliament of which we are Members, would suffer, because we would give the impression of wishing to retain our existing election procedures and of fearing the verdict of universal suffrage. This impression would, of course, be wrong, for we are all in favour of direct elections, even though they must be disadvantageous for some of us. We are above all democrats, and as far as my Group is concerned, European progressive democrats!

That, ladies and gentlemen, is why I believe that direct elections will serve above all to restore the balance of power within the European Community, or in other words to create a more democratic form of supervision, and to establish direct control of that new institution, the European Council.

Thus all those who have decision making powers or political responsibilities will constantly be aware of being

not so much supervised as backed by the representatives of the people. No-one with political responsibility, inside or outside this House or at whatever level, can implicitly or explicitly tolerate further questioning of the commitment undertaken by the Heads of State and of Government. The political leaders must do what is expected of them, and any talk about postponing these elections must be rejected. That is why we are right to raise the question and to answer it positively.

We are well aware that direct elections will not in themselves provide a solution to the political, economic and social problems of the Community, that there will not be less unemployment, that the North-South dialogue will not be better organized, but we also know that the elections will strengthen our democratic legitimacy and that, by obtaining the direct support of the citizens of Europe, we will have involved the electorate of Europe more closely in our affairs. For that very reason, we will feel less cut off from everyday realities, for if direct elections have any significance, it is that they are the expression of everyday democracy at the European level. And in this context, the democratic participation of our citizens in the decision making process at Community level will strengthen all the Community has achieved, and prevent it from being threatened as it currently is by the serious crisis we are facing. But it will also provide a stimulus for the necessary creation of European Union which, at the end of the day — all of us here, whatever our political persuasion, are well aware of this — is the objective which we pursue, with a view to improving the general quality of life of the people of Europe.

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

**Mr Spicer.** — Mr President, may I say at the outset that I am quite sure that Mr Berkhouwer, and all those who have spoken in this debate, have no doubt of one thing, that the fact that the Conservative Group in this Parliament has not lent its name to this order in no way diminishes the fact that the Conservative Party in the United Kingdom, the Danish Conservative Party and the Centre Democratic Party are European through and through. I am delighted, as we all are, to find that the Danish Conservative Party and the Centre Democratic Party and, indeed, all Danish parties are absolved from all blame and in no way responsible for holding back these elections. I was particularly touched by Mr Spénale's appeal. I happen to be the Chairman of the Conservative Group for Europe, which operates in the United Kingdom. Basically that group is formed of people in the House of Commons, in the House of Lords and outside, who have been dedicated to Europe over many years. I know that there are many of our friends here — Mr

## Spicer

Couste in particular — who will remember the meetings we had in 1969, 1970 and 1971, when we were waiting to come into the Community.

I have no intention today of washing the dirty linen of the United Kingdom in public, but I must put the record straight and quickly run through the sequence of events that resulted from that summit in 1975. Sadly, it was not a Conservative Prime Minister who attended that summit. He would have lent his name to the bringing forward of the date and used his best endeavours towards that end. When that summit was ended, we in the House of Commons then set up a Select Committee. I gave evidence to that Select Committee, Mr Patijn gave evidence to that Select Committee, drawn from all parties in the House of Commons. That Select Committee was in a position to and did report in July 1976, and its resulting decision, once it had weighed all the views and the evidence I gave as Chairman of the Conservative Group for Europe, was that we should go for an additional member system based on the German system. Mr Patijn gave a very much wider brief on the whole background to direct elections.

When that Select Committee finished in July 1976, the report they published said that in view of the time factor, in view of our traditional link with first-past-the-post, that was the system that should be adopted in the United Kingdom. That was the last we heard of the report of that Select Committee and direct elections for nine months, and the passing of that time made it increasingly difficult for us to meet a deadline on the first-past-the-post system which had been recommended by the Select Committee.

Now, it is not for me to look into the mind of the Socialist Party in Britain, but one of the reasons why that situation arose is quite clear. There was an occasion in Luxembourg when to the European Parliament. If a plane, which would have taken back three anti-marketeers from this Parliament, and one pro-marketeer had not broken down at Luxembourg Airport, a majority of the Labour Party in the House of Commons would have come out against the whole principle of direct elections. Now we have a situation where the Government — and I am sorry to say this to Mr Berkhouwer but I know he has very broad shoulders — in concert with their allies, have come forward with the worst possible system of proportional representation for the United Kingdom that they could possibly have devised. It is almost as though they have deliberately set out to say, 'Here you are, here is something you could never possibly accept'. Now, almost certainly, and people have indicated this, it is impossible to get a majority for that system in the House of Commons.

Now if I, as a European of many years' standing, find it difficult to vote for this miserable system that they have produced, how on earth can you expect those

other people, who are in the middle of the road, to do so. The view is expressed that it is impossible for us to meet that deadline unless we have the system which is supported by the Liberal Party in the House of Commons and by the Socialist Government which is dependent upon them to stay in office. That is not so, it can still be done if the will is there. Mr Simonet said that the British Parliament had — I think I quote your words — reported back on some point or another. He knows as well as I do that it is not the British Parliament but the British Government reporting back, and I am still suspicious in my own mind of whether the will exists within our Government in the United Kingdom and whether, when they say 'best endeavours', they do really mean it. Certainly, if these are their best endeavours, after a period of two years, then very sadly we must take it that they still in their heart of hearts are a party not committed to Europe in any shape or form. I say in all sincerity that we in the Conservative Party will do all in our power to meet that date. We know quite well that when the vote is taken on the second reading in the House of Commons, an attempt will be made to say, 'Ah, there you are, it is the Conservative Party voting against this very good principle, the whole thing is being held up because of them'. That is not true, and I am standing up tonight to make just this plea to this Parliament. I do not think there is any need to make it really. With Geoffrey Rippon as leader of our Group, with our years of dedication to Europe behind us, people in this House and in Europe will know where to apportion the blame if at the end it is the United Kingdom that is found wanting and if it is the United Kingdom which delays the date of these elections. It will not be, it never has been, the Conservative Party; it will not be, it never has been, the wish of the European Conservative Group in this Parliament.

**President.** — I call Mr Jensen.

**Mr Jensen.** — (DK) Mr President, since this decision was taken in December 1975, both the Community institutions and the Member States have begun work on the necessary preparations. The Commission and Parliament have included special items in their budgets to cover information programmes aimed at increasing the interest of the citizens of the Community in this subject. These activities have already begun in a number of Member States. As regards the adoption of the necessary procedures in each Member State, with a view to implementing the act of 20 September 1976, it appears that this is well underway in all the Member States with the exception of Great Britain.

Clearly, any postponement of direct elections will not only make our citizens more disillusioned, but it will also adversely affect the credibility of the Community institutions and their capacity for taking effective deci-

## Jensen

sions. No responsible politician can allow himself to put a question mark against what the nine heads of government have decided. The duty of the political leaders is to do what is necessary to enable the elections to be held in May/June 1978, and any talk about putting these elections off is unacceptable.

Those countries which, for understandable reasons, are not in a position to clarify the situation before the deadline, must realise that they are impeding the progress of the Community. As signatories of the Treaty of Rome, they must realize the seriousness of the situation, even if direct elections in themselves do not provide solutions to the problems in the Community. Let us hope that the progress which has already been made will provide the stimulus for the further progress which we clearly need within our European Community.

**President.** — I call Mr Jahn.

**Mr Jahn.** — (D) Mr President, ladies and gentlemen, I have just one factual comment to make. Although I have every respect for all the good advice given today, I get the feeling that we are all just playing with words, as we all know, if we are realistic with ourselves, that even if a decision is taken now, it will not be possible for organizational and technical reasons to hold the elections in May/June of next year. I do not exclude my own parliament's decision from this.

If we want definite facts, Mr President, our British friends are in a position to give an answer this question, as they have already done. A fortnight ago in Washington a prominent member of the Labour Party was asked by a US congressman when direct elections would be held. In his reply, which was made before the European Parliament Delegation and the US Congress, he said that we must be realistic and that as things stand the elections could be held in March or April of 1979. A leading member of the Conservative Party expressed the same view, obviously on the basis of the debate held in Parliament. This may be only a personal view, but I think that even if the House of Commons does not decide until May/June of next year, March or April of 1979 is the most realistic period for the elections. That is all I wanted to say.

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

**Mr Patijn.** — (NL) Mr President, I had not intended to speak, as my Group is being represented today by my friend Mr Spénale. But in view of the unexpected attack by Mr Spicer on the members of my Group who belong to the British Labour Party, I feel compelled to make a number of comments, at the same time taking the opportunity of clarifying certain points.

Firstly, if Mr Spicer, in his remarks on anti-market-ers, chooses to describe the system proposed by the

British Government as the 'worst possible system', then so be it. Of course, Mr Spicer has a right to say this. But he is not a member of the Government, and the British Government is free to put forward any system which it considers suitable. I am sure that the same thing happened in Germany, where the 'Bundesliste' initially proposed was followed by 'Länderlisten'. There too, the dispute concerning the electoral system is still going on. What is wrong with that, anyway? Freedom of choice is clearly provided for in the September 1976 declaration. The British Government is also free to make up its own mind, and if Mr Spicer becomes a member of that Government he will be free to propose a different system; but that is not what we are discussing.

Mr Spicer says that he doubts whether the British Government really wants these elections. I would remind him that Mr Spénale and myself were present on behalf of Parliament when Anthony Crossland — who has sadly left us all too soon — signed the declaration on behalf of his Government. In the early summer the principle of European elections was accepted by the House of Commons at the first reading, of course with Mr Spicer's support. I admit that many of my friends in the Labour Party voted against this. But the declaration was also opposed by Conservatives. Let's not fool ourselves: we are all aware of the situation in Britain and we should not paint a one-sided picture of it. You also say, Mr Spicer, that if the proposals fall through, the Socialists are to blame; but your party will also have great responsibilities in the coming weeks. You will be responsible for cooperating with the Government, and much will depend on whether you think you can bring the Government down on this issue or whether you want to help to produce an electoral system. You could do this by cooperating with the guillotine motion, and by cooperating in devising a system which you may not wholeheartedly support but which would expedite European elections. To say that the whole responsibility rests with the socialist members, that is the Labour Party, is rather one-sided. You also have your own responsibilities which you should shoulder in the House of Commons. I hope that you will do this. I don't doubt your good intentions, we know each other well enough by now, but the responsibility is not the Labour Party's alone — it must also be shared by the Conservatives.

A second, very brief point. I wanted to sort out a matter raised several times by Mr Klepsch, among others. He says that if we can't hold the elections in all nine countries, perhaps we could hold them in eight. This is nonsense: we all know that if one country does not agree and rejects the proposals, elections cannot be held in any of the nine countries, not now or ever in the future. It is up to all nine coun-

## Patijn

tries, including the British Parliament, to ensure that European elections are held in Britain, because otherwise it will be impossible to hold them in the other eight countries. The responsibilities of the House of Commons are also those of the Bundestag and of the Netherlands Lower Chamber, which have all done their best and are still trying to settle the matter. The responsibility extends beyond the question of whether elections to the European Parliament should be held in Britain.

Thirdly, the worst thing that could happen would be for the European Council to say in December that elections will not be held in June 1978, but sometime later. It would be better to say nothing than to say that, so please just confirm the June 1978 deadline. If you cannot do this, fix another date. But if you cannot specify any other date, please keep silent about European elections and do not make any reference whatever to them. For the worst that can happen is that the May/June 1978 deadline could be replaced by a vague 'as soon as possible'. This would be disastrous, as we in the Community well know what 'as soon as possible' means. It means never. This is my last point, Mr President-of-the-Council: if the Council — to which you and Mr Tindemans are responsible — discusses the elections, a clear and precise agreement must be reached, unlike when the declaration was signed. If such an agreement is not forthcoming, the September '76 declaration must be re-affirmed. If this is not done either, then please say nothing, because the election date would then recede indefinitely. I hope I have expressed myself clearly, and I hope that the Council will not disappoint us, as I know Mr Simonet's good intentions.

**President.** — I call Mr Bersani.

**Mr Bersani.** — (I) We are only a few weeks away from the next European Council which is the last possible occasion — as some of my colleagues have remarked — for taking a decision which would make it technically possible to hold the elections on the planned date.

That is the reason for our concern and for the stress upon responsibilities at this particular moment. If the Council at the beginning of December is unable to set the date for the elections there is a real risk of our entering a critical phase. The last obstacle is the situation in Great Britain: at this important hour we urge British political groups to overcome their internal divisions and difficulties and find a way of responding adequately to the interests and problems of Europe.

The finishing touches are now being put to the procedures in the member countries. In my country, which was the first to ratify the Convention of 20 September 1976, agreement has almost been reached on the electoral law, and there should not be any serious problems before the elections.

But it is important for all of us that these procedures should be completed in the shortest possible time, if possible before the end of the year, so that it can be said that in this respect everything necessary has been done.

I must end by expressing my amazement at the nonchalance with which the problem of the date is often discussed. The speakers already seem resigned to postponing it by one year, six months or eight months, as if it were not a date of enormous political importance. And I believe that the importance of this debate lies in the fact that it has demonstrated our unanimous conviction that the problem of the date should be resolved as soon as possible.

I therefore think I too should thank Mr Berkhouwer for having had the sense of responsibility to raise a question of such importance for all of us.

**President.** — I call Mr Simonet.

**Mr Simonet, President-in-Office of the Council.** — (F) Mr President, I should only like to say to Mr Patijn that I entirely share his views; if the European Council were unfortunately to decide that the elections cannot be held in May or June 1978, the last thing to do would be to decide to postpone the elections to an unspecified later date.

If such a modification were made, it would be necessary to fix a new date which the Community would not be able to postpone further.

**President.** — Mr Simonet, we entrust you with the task of conveying to the Council of Ministers the views expressed by the Parliament in this sitting, and I am convinced that the commitment made will be fulfilled.

## 15. Agenda

**President.** — Miss Flesch has requested that the next two items on the agenda be reversed so that her oral question is dealt with before the debate on the Scelba report.

I call Mr Scelba.

**Mr Scelba.** — (I) I agree to Miss Flesch being allowed to present her question, but I should like the report which I am to present to be discussed immediately afterwards.

**President.** — Since there are no objections, that is agreed.

## 16. Aid to non-associated developing countries.

**President.** — The next item is the oral question with debate (Doc. 366/77), put by the Committee on Development and Cooperation to the Council of the European Communities, on financial and technical aid to the non-associated developing countries:



## President

What does the Council think of the proposal from the European Commission concerning financial and technical aid to the non-associated developing countries (Doc. 11/77)<sup>1</sup>, which was unanimously approved by the European Parliament on 21 April 1977<sup>2</sup>?

I call Miss Flesch.

**Miss Flesch.** — (F) Mr President, ladies and gentlemen, I should like first to thank Mr Scelba for agreeing to this re-arrangement of the items on the agenda.

The question which it is my privilege to present on behalf of the Committee on Development and Cooperation will not, I think, involve a long debate, since the spokesmen of the various political groups have decided not to speak. They assured me, however, that they were in agreement and that they approved of the step taken by the Committee on Development and Cooperation. I can therefore speak to some extent on their behalf on this occasion, even if this procedure is unusual.

Mr President, my question relates to the use of the 45 million u.a. included in the 1977 budget under the heading of financial and technical aid to non-associated developing countries.

This question raises two problems. The first, and by no means the lesser, of the two concerns the institutional powers of the Parliament, the Council and the Commission. The second immediate problem is that of commitment of the appropriations for non-associated countries for 1977.

It is not the task of the Committee on Development and Cooperation to go into institutional questions in detail, but I should like to refer briefly to them and to recall that another item on the agenda of this part-session is the discussion of a report by Lord Bruce of Donington on behalf of the Committee on Budgets. This report also relates to the request for release of the appropriations included in the general budget for 1977. It was adopted yesterday by the Committee on Budgets and will be debated on Thursday by the House.

I would not wish to pre-empt this debate, but in order to stress the importance which all the members of this House attach to the institutional question, I wish to draw your attention to the essential point of Lord Bruce's report, point 5, namely that Parliament's authorization to release the 45 million u.a. to finance the aid concerned has the effect of an instruction to the Commission to commit these appropriations before the end of 1977, on the basis of the proposals presented and without waiting for a further reaction from the Council.

The main concern of the Committee on Development and Cooperation is obviously to ensure that the appropriations can be committed before the end of this year. It may perhaps be a good idea to review the developments so far.

Parliament was consulted in March 1977 on the Commission's proposal concerning a regulation on financial and technical aid to non-associated developing countries. On 21 April of this year it approved the Commission's proposal, but called for a modification of Article 14 which, in its original version, entrusted certain powers of decision to a management committee chaired by a representative of the Commission and composed of representatives of the Member States.

The proposal initially provided that if the Commission's decisions went against the opinion of this committee, the application of such decisions would be postponed, and the Council could then take a different decision within two months. The report of the Committee on Development and Cooperation presented by Mr Nolan proposed that the draft decisions of the Commission, accompanied by the opinion of the committee, should be submitted to the Commission, which would decide on further action. The Committee on Budgets, in its opinion, also opposed the decision-making procedure favoured by the Commission, which it judged incompatible with Articles 205 and 206 of the Treaty.

When the general budget for 1977 was adopted, Parliament froze the appropriations in question and expressly declared that it would release them after duly consulting the Commission and the Council.

On 31 May 1977, Mr President, you yourself sent a letter to the President of the Council drawing his attention to the need for a rapid decision and making clear that, should the Council depart from the opinion of Parliament, the conciliation procedure should be begun as quickly as possible, and in any case before the mid-June session of the Council of Development Ministers, which was due to examine this question.

Since then there has been total silence. The Council has taken no decision on the subject. What concerns us is that the conciliation procedure, established by a common declaration of the Parliament, the Council and the Commission of 4 March 1975, depends on the Council's departing from the opinion of the Parliament. If it does nothing, as in this case, the conciliation procedure cannot be initiated.

The Commission has recently communicated with the Parliament, by means of a letter which Mr Ortoli sent to you, Mr President, on 13 October, to call for the release of the appropriations. This request is the subject of the previously mentioned report by Lord Bruce of Donington, drawn up on behalf of the Committee on Budgets. The Development Committee expects, as do all the Members of the Parliament, that

<sup>1</sup> OJ C 54, 4.3.1977, p. 5.

<sup>2</sup> OJ C 118, 16.5.1977, p. 60.

## Flesch

these appropriations will be committed in 1977, and the Commissioner responsible for development questions assured us that it was still technically possible to commit these funds. He also sent us the detailed programme of expenditure for our information.

The committee which it is my privilege to chair has discussed this programme on several occasions, and has reached the conclusion that it is in line with the general objectives which the Parliament wished this aid to meet. I should like, however, in passing, to point out that the Commission seems to have left things very late. In view of the importance of this matter, both in institutional terms and in terms of our development aid policy, and given the importance which the Commission itself claims to attach to it, it seems to us that it could and should have shown more courage and more alacrity.

However that may be — and this is the essential point — we cannot allow the Council to continue to prevent rational planning of this aid by simply refusing to reach decisions on the subject. This attitude is contrary not only to the Resolution adopted by the Council itself on 16 July 1974 on financial and technical aid to non-associated developing countries, but also to the wish expressed by the Parliament in the Härzschel report of 19 June 1975, and in the more recent report of 21 April 1977 by Mr Nolan, which I have already mentioned. In fact, by refusing to reach a decision the Council shows contempt for the conciliation procedure to which it has subscribed, but which cannot be initiated until it has taken a decision.

The conciliation procedure is intended to overcome differences of opinion between the institutions. One cannot help thinking that in this matter the Council is trying to get out of using the procedure which it has itself accepted.

If that were indeed the Council's game, it would constitute an affront to the Parliament and a slap in the face for numerous non-associated countries, where development programmes have been suspended because of our procedural delays, which are due to disagreements between the institutions.

In our view Parliament cannot tolerate this attitude for long. It must therefore, as the report by Lord Bruce of Donington suggests, urge the Commission to implement the programme of aid to the non-associated countries concerned as soon as appropriations are committed and without waiting any longer for the Council's decision, which has been too long delayed.

**President.** — I call Mr Simonet.

**Mr Simonet, President in Office of the Council.** — (F) The atmosphere is deteriorating, to judge by Miss Flesch's hard, although undeserved, criticism.

The Council is not engaged in any intrigue. I would say that, in a sense, it is worse than that, for if there

were an intrigue, that might suggest that the Council had reached an agreement to put it into practice. Unfortunately its delay in putting into operation the conciliation procedure is not due to any Machiavellian scheme believe me, but merely to its inability to find a basis for an agreement which would make possible a useful initiation of that procedure.

I should like to add that the Council of ministers responsible for development cooperation discussed the Commission's proposal on financial and technical aid to non-associated developing countries on two occasions. In March of this year, it held a first general discussion while awaiting the opinion of the European Parliament. It looked at the matter again in June, having taken note of the opinion given on 21 April by this House, which supports the fundamental ideas behind the Commission's proposal. I repeat that these discussions have not yet enabled the Council to reach an agreed view. In this respect, I would not wish to conceal from this House that there remains an important difference of approach concerning the fundamental idea of the Commission's proposal. The proposal suggests that a basic multi-annual regulation based on Article 235 be adopted, and that it should constitute some kind of framework for an overall policy of aid to non-associated countries. Another idea is that the principle of financial and technical aid to non-associated developing countries should be implemented through measures decided on an ad hoc basis by the Council. I repeat that the latter has still not made up its mind.

The Development Council will be discussing this matter again at its next session on 28 November. I hope that on that occasion it will be possible to overcome the remaining difficulties and I think I can say that we are all aware of the need to decide this question rapidly and satisfactorily, so as to clarify the situation in time for the next budgetary year and to avoid the embarrassing consequences which Miss Flesch hinted at in her vigorous and forthright speech. I can assure her and the House that Belgium, as President of the Council, will spare no effort to bring about a useful discussion which would in turn make possible a fruitful dialogue with Parliament. As for the draft regulation which gives us cause for concern and should be the object of the conciliation procedure mentioned earlier, I should like to say that, contrary to what Miss Flesch thinks, we have not left the matter in total silence but have informed the President of Parliament that the Council expected to reach an agreed view and to begin at once the conciliation procedure envisaged with Parliament.

Finally I would point out that the Council was concerned that the extension of discussions on the Commission's proposal should not prevent non-associated countries from using the 45 million u.a. appropriation included in the 1978 budget. I am sure that the

**Simonet**

House shares our concern. That is why, at its June session, the Council agreed to apply once more for 1977 an ad hoc procedure for the use of this appropriation. This procedure is without prejudice to any later procedure, or to the result of any discussions we may have on the Commission's proposal.

In accordance with this procedure, the Council had a discussion in June on the general guidelines suggested by the Commission for the release of the 1977 appropriation, and in the light of this discussion the Commission drew up a programme for use of the appropriation, which it has just submitted to the Council. For my part, I hope that this programme will not encounter any difficulties with the Council.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, some of Miss Flesch's remarks were, of course, addressed to the Commission, which is why I am rising to answer now. In doing so, I do not, of course, want to anticipate the debate on Lord Bruce's report, to which she referred. But I think it might be helpful if I stated the position as we see it after the President-in-Office of the Council has provided that extremely helpful explanation from side of the hemicycle.

The point I would wish to make is this. As Miss Flesch has recalled, the Commission last year executed the programme of 20 million u.a. which had also been noted in an internal Council decision. This year, the Commission has proposed a basic regulation for the management of this new policy area. So far, the Council has, of course, not pronounced. Mr Simonet has explained the Council's attitude to this proposal and stated that the Council have it in mind to give *ad hoc* approval to the Commission's plan for the 1977 tranche, of which, I should add, both the Council and the Parliament are well informed.

For the Commission, the adoption of the basic regulations is important in order to provide a durable policy framework for a lasting and expanding programme. We therefore very much hope that the Council will adopt the regulation embodying the pluriannual approach as soon as possible. The Commission attaches the greatest importance to the development of this aid programme, which, of course, must be continuous and thus an annual operation. If, therefore, the Council does not take the necessary decision to provide a formal legal basis by the end of the year, I can assure the House that I, as Budget Commissioner, and Mr Cheysson, as the Commissioner responsible for development, will recommend to the Commission that it commit the funds voted by the budgetary authority without such a Council decision.

**President** — I call Miss Flesch.

**Miss Flesch.** — (F) Mr President, I should like to thank Mr Simonet for his promise that Belgium, as

President of the Council, will do everything in its power to ensure that a decision is reached at the meeting of the Development Council on 28 November. But he will not be surprised if I say that his reply does not wholly satisfy us. For I note from his remarks that, even if there is no intrigue, there is inability to reach a decision, and that seems very serious to me. It will obviously be too late on 28 November for the matter to be settled in a satisfactory way for the 1977 budgetary year, and Mr Simonet himself said that he hoped to find a solution in time for the next budgetary year.

It is clear that the ad hoc procedure which he mentioned cannot satisfy Parliament, but I leave the discussion of this question to the Committee on Budgets and to the speakers in Thursday's debate.

In conclusion, I should like to make a few remarks on behalf of the Committee on Development and Cooperation. As regards food aid, we are doing nothing because of the Council's failure to act; with respect to generalized preferences, the situation is frozen; in the field which concerns us here, we are doing nothing or very little. This means that we are doing nothing to help the non-associated developing countries. Do we as a Community really want to lose all credibility in a field which up to now has been one of the few in which the Community has achieved success? In my view the Parliament cannot associate itself with such an absence of policy, and it must do everything in its power to ensure that the appropriations under discussion can be used in accordance with the views we have already frequently expressed.

### 17. Agenda

**President.** — The next item is the report (Doc. 346/77), drawn up by Mr Scelba on behalf of the Political Affairs Committee, on the granting of 'special rights' to the citizens of the European Community in implementation of the decision of the Paris Summit of December 1974 (point 11 of the final communiqué).

I call Mr Vernaschi on a point of order.

**Mr Vernaschi.** — (I) Mr President, I am perfectly aware of the decisions taken by the Bureau and Parliament. But, in view of the importance of this report, I should like to ask whether we ought not to postpone it until tomorrow morning. Furthermore, many Members, believing that the proceedings would be over by 8.30, have rashly accepted the Prefect's invitation.

**President.** — I am afraid your request is incompatible with tomorrow's agenda, which includes at least five hours of debate on economic subjects. There is also the Cousté report on competition, for which a

couple of hours have been aside. Therefore, if we postpone the Scelba report until tomorrow morning, tomorrow evening we are likely to be faced with the same situation as today. However, since your request is a procedural motion, I shall call one speaker in favour and one against. We shall then vote on the matter. I call Mr Brugger.

**Mr Brugger.** — (I) I should like to second Mr Vernaschi's proposal, since I think that there are too few Members left in the House to deal with this important subject, which could thus be more suitably discussed at tomorrow's sitting.

**President.** — Since no one wishes to speak against this proposal to postpone the report, I put it to the vote immediately.

The amendment to the agenda is adopted. It is agreed that the groups will therefore have to limit their speaking time so that all the items on the agenda can be discussed.

#### 18. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Wednesday, 16 November 1977, with the following agenda :

*10.00 a. m. and in the afternoon :*

- Scelba report on the granting of special rights to the citizens of the Community
- Joint debate on the Ardwick report, an oral question to the Commission and the Santer report, all on the economic situation in the Community
- Cousté report on the Sixth Report on competition policy

*3.00 p.m. :*

- Question Time (questions to the Commission)

*3.45 p.m. :*

- Vote on motions for resolutions on which the debate has closed.

The sitting is closed.

*(The sitting was closed at 8.30 p.m.)*

## ANNEX

*Questions which could not be answered during Question Time, with written answers*

*Question to the Council*

*Question by Mrs Ewing*

Subject: Fishing policy

Could the Council make a statement on the latest developments in the Community fishing policy and connected problems?

*Answer*

At its meeting on 24 and 25 October 1977 devoted to the examination of questions connected with the common fisheries policy, the Council held a preliminary policy debate on a range of proposals aimed at setting up a definitive system applicable to fisheries as from 1 January 1978.

This debate enabled the essential problems still outstanding to be outlined in greater detail and helped to define certain positions. Among other things, it covered the question of the allocation of resources by means of quotas, technical Community measures for conservation and control, immediate aid measures for the restructuring of the fishing industry by adjusting catch capacities, the arrangements for a possible compensation for herring fisheries, which would be linked to the ban on fishing for this species in the North Sea and the Celtic Sea, and finally relations on fisheries matters with certain West African countries and Yugoslavia.

At the close of its discussions on these proposals, the Council agreed to continue its deliberations on 5 and 6 December 1977, at a further meeting devoted exclusively to fishing problems as a whole.

Moreover, pending a decision on fisheries policy as a whole, the Council agreed to extend the ban of direct fishing for herring in the North Sea until 31 December 1977.

*Question by Mr Normanton*

Subject: Security of the supplies of the Member States

Would the Council state what consultations have been undertaken between the Member States to establish to their satisfaction that the vital supplies of fuel and raw materials of the Member States are secure, with specific reference to the obligations imposed by Article 224 of the EEC Treaty?

*Reply*

As yet, no consultations have taken place between the Member States, on the basis in particular of Article 224 of the EEC Treaty, with a view to ensuring the security of the Community's oil supplies.

I would however recall that, in order to prevent the functioning of the common market being affected in the event of difficulties in the supply of crude oil and petroleum products, the Council recently adopted contingency measures for regulating intra-Community trade in such products and, if necessary, for fixing a Community target for reducing the consumption of primary forms of energy.

*Question by Mr Terrenoire*

Subject: The general economic situation

Does the Council intend giving consideration to the new Commission guidelines aimed at stimulating domestic consumption in order to revive the economy?

*Answer*

On 17 October, the Council held a general discussion on the economic policy to be pursued by the Member States. On this occasion it recorded its agreement on the overall strategy proposed by the Commission for the Community. The aim of the strategy, which was based in particular on the vo-

growth rate of 4 — 4.50 % of the Community GDP in real terms by an additional increase in internal demand of 1 % without any increase in production costs.

On 21 November, the Council will also be invited to adopt the annual report for 1978. This report is currently before the European Parliament for consultation and will lay down guidelines for economic policy in 1978 for the Member States to follow in their national policies.

*Question by Mr Hoffmann*

✓ Subject: The Middle East

In view of the Declaration on the Middle East by the Nine on 29 June 1977, recognizing the right of the Palestinian people to a homeland, and the support given by the President-in-Office of the Council to the joint declaration of the United States and the Soviet Union, how, in the context of the Euro-Arab Dialogue and the ten preferential agreements concluded with various Arab countries, does the Council intend to translate its positions of principle into recognition of the PLO as an official negotiating partner of the European Communities?

*Answer*

The final communiqué of the third General Committee of the Euro-Arab Dialogue, recently held in Brussels from 26 to 28 October, repeats word for word the statements by the European Council of 29 to 30 June, including the four principles which in the opinion of the Nine should form the basis of a peaceful settlement in the Middle East.

Furthermore, the Council has concluded preferential agreements for economic and financial co-operation with a number of Arab States, either as part of its policy of an overall Mediterranean approach (Algeria, Morocco, Tunisia, Egypt, Syria, Jordan and the Lebanon), or under the Lomé Convention (Somalia, the Sudan and Mauritania).

In addition to these agreements, the Euro-Arab dialogue offers the European side and the Arab side (comprising all the member countries of the Arab League, including the 10 aforementioned States) a broader frame of reference in which to seek wider co-operation between the two regions.

These agreements and the Euro-Arab dialogue thus symbolize the mutual will to develop relations between the Community and the Arab world and the Community's will to pursue a balanced and global policy towards the various countries in the region, contributing to their economic and social development in a climate of peace and stability.

*Question by Mr Osborn*

/ Subject: Security measures at airports

What mandate has the Council given to the Commission to look into effective security measures at airports within the Community, and to establish similar standards in the countries immediately surrounding the Community bearing in mind the need to consult the International Civil Aviation Organization?

*Answer*

The Ministers of Transport of the Nine, meeting within the Council on 27 October 1977, adopted a Resolution categorically condemning all forms of air piracy and terrorism. With a view to safeguarding the transport of passengers they strongly urged that concrete measures be taken internationally, as soon as possible, in order to combat criminal violence with all due efficiency.

The actual organization of these measures at airports in the Community and in the countries immediately surrounding it does not fall within the competence of the Community but within that of the authorities of the Member States and non-member states concerned.

*Questions to the Foreign Ministers**Question by Mrs Ewing*

Subject : The Middle East

Will the Ministers make a statement on their attitude towards attempts currently being undertaken to obtain a peaceful settlement in the Middle-East and in particular their views on statements made about the 'legitimate aspirations of the Palestine peoples'.

*Answer*

The most recent statement by the Nine on their attitude towards the Middle East is that adopted by the European Council on 29 June last.

It states that '... in the establishment of a just and lasting account must be taken of the legitimate rights of the Palestinians' and that 'the Nine have affirmed their belief that a solution to the conflict in the Middle East will be possible only if the legitimate right of the Palestinian people to give effective expression to its national identity is translated into fact, which would take into account the need for a homeland for the Palestinian people. They consider that the representatives of the parties to the conflict, including the Palestinian people, must participate in the negotiations in an appropriate manner to be worked out in consultation between all the parties concerned'.

In the speech which I made as President-in-Office of the Foreign Ministers meeting in political cooperation before the General Assembly of the United Nations in New York in September, I reaffirmed this position. I may add that the Nine welcomed the joint American-Soviet communiqué on the situation in the Middle East. In short, the nine governments support, and will continue to support, all constructive attempts to arrive at a peaceful, just and lasting settlement of the Middle East question. When the time comes, they will be prepared to share the responsibility within the United Nations of guaranteeing this settlement.

## SITTING OF WEDNESDAY, 16 NOVEMBER 1977

## Contents

1. Approval of minutes . . . . .	107	<i>Question No 2 by Lord Bessborough: The Community's Data Processing and Electronic Components Industry:</i>	
2. Authorization of reports — Reference to committee . . . . .	107	<i>Mr Davignon; Lord Bessborough; Mr Davignon . . . . .</i>	130
3. Granting of special rights to the citizens of the Community — Report drawn up by Mr Scelba on behalf of the Political Affairs Committee (Doc. 346/77):		<i>Question No 3 by Mr De Clercq: Open Tenders:</i>	
<i>Mr Scelba, rapporteur . . . . .</i>	108	<i>Mr Davignon; Mr De Clercq; Mr Davignon; Lord Bruce of Donington; Mr Davignon . . . . .</i>	130
<i>Mr Patijn, on behalf of the Socialist Group; Mr Jahn, on behalf of the Christian-Democratic Group; Mr Berkhouwer, on behalf of the Liberal and Democratic Group; Mr Rivierez, on behalf of the Group of European Progressive Democrats; Mr Fletcher-Cooke, on behalf of the European Conservative Group; Mr Jozeau-Marigné; Mr Masullo, on behalf of the Communist and Allies Group; Mr Pisoni; Mr Davignon, Member of the Commission; Mr Scelba . . . . .</i>	111	<i>Question No 4 by Mrs Ewing . . . . .</i>	131
4. Joint debate: Economic situation in the Community — Report drawn up by Lord Ardwick on behalf of the Committee on Economic and Monetary Affairs (Doc. 377/77) and oral question (Doc. 368/77):		<i>Question No 5 by Mr Cointat: Devaluation of the Green Franc: Mr Gundelach, Vice-President of the Commission; Mr Inchauspé; Mr Gundelach . . . . .</i>	131
<i>Lord Ardwick, rapporteur . . . . .</i>	126	<i>Question No 6 by Mr Herbert . . . . .</i>	132
5. Question Time (continued)		<i>Question No 7 by Lord Bruce of Donington: Sale of butter to the USSR: Mr Gundelach; Lord Bruce of Donington; Mr Gundelach; Mr Seefeld; Mr Gundelach; Lord Bethell; Mr Gundelach . . . . .</i>	132
<i>Questions to the Commission of the European Communities</i>		<i>Question No 8 by Mr Scott-Hopkins: Financing of food aid . . . . .</i>	132
<i>Question No 1 by Mr Cousté: Proposal for a Fifth Directive (participation by workers)</i>		<i>Question No 9 by Mr Seefeld and Question No 29 by Mr Guerlin: Criticism of 'Le Monde' in 'EG-Magazin':</i>	
<i>Mr Davignon; Member of the Commission; Mr Cousté; Mr Adams; Mr Davignon; Lord Bruce of Donington; Mr Davignon; Mr Müller-Hermann; Mr Davignon; Lady Fisher of Rednal; Mr Davignon . . . . .</i>	128	<i>Mr Gundelach; Mr Seefeld; Mr Gundelach; Lord Bethell; Mr Gundelach; Mr Jenkins, President of the Commission; Mr Seefeld; Mr Jenkins; Mr Guerlin; Mr Jenkins; Mr Deschamps; Mr Jenkins . . . . .</i>	132
		<i>Question No 10 by Mr Cifarelli . . . . .</i>	134
		<i>Question No 11 by Mr Damseaux: Community aid for managerial staff:</i>	
		<i>Mr Vredeling, Vice-President of the Commission; Mr Damseaux; Mr Vredeling; Mr Albers; Mr Vredeling . . . . .</i>	135
		6. Date of direct elections to the European Parliament — Report by Mr Berkhouwer (Doc. 386/77) — (Vote)	



<i>Adoption of the motion for a resolution . . .</i>	135	<i>Ortoli, Vice-President of the Commission; Mr Glinne on behalf of the Socialist Group; Mr Schwörer on behalf of the Liberal and Democratic Group; Mr Damseaux, on behalf of the Liberal and Democratic Group; Mr Jensen, on behalf of the Group of European Progressive Democrats; Mrs Goutmann, on behalf of the Communist and Allies Group; Mr Stetter, on behalf of the European Conservative Group; Lord Bruce of Donington; Mr Ortoli; Lord Bruce of Donington; Mr Ortoli; Mr Müller-Hermann; Mr Nolan; Mr Dablerup; Mr Pisoni; Mr Hoffmann; Mr van der Gun; Mr Vredeling, Vice-President of the Commission; Mr Ortoli . . . . .</i>	137
7. <i>Terrorism in the Community — Report by Mr Fletcher-Cooke (Doc. 372/77) — (Vote)</i>			
<i>Amendment on the first indent of the preamble . . . . .</i>	135		
<i>Question of procedure: Mr Klepsch . . . . .</i>	135		
<i>Amendment on paragraph 1 . . . . .</i>	135		
<i>Adoption of the motion for a resolution . . .</i>	135		
8. <i>Granting of special rights to Community citizens — Report by Mr Scelba (Doc. 346/77) — (Vote)</i>			
<i>Amendment on paragraph 3, subparagraph (i):</i>			
<i>Mr Scelba, Mr Durieux, Mr Patijn, Lord Castle . . . . .</i>	136		
<i>Question of procedure: Mr Klepsch . . . . .</i>	136		
<i>Amendment on paragraph 3, subparagraph (j):</i>			
<i>Mr Scelba . . . . .</i>	136		
<i>Amendment on paragraph 3, subparagraph (1):</i>			
<i>Mr Scelba: Mr Patijn . . . . .</i>	136		
<i>Explanation of vote: Mr Klepsch . . . . .</i>	137		
<i>Adoption of the motion for a resolution . . .</i>	137		
9. <i>Economic situation in the Community (Resumption)</i>			
<i>Mr Durieux on behalf of the Liberal and Democratic Group; Mr Santer on behalf of the Christian-Democratic Group; Mr</i>			
		10. <i>Sixth report on competition policy — Report by Mr Cousté, on behalf of the Committee on Economic and Monetary Affairs (Doc. 347/77)</i>	
		<i>Mr Cousté, rapporteur . . . . .</i>	167
		<i>Mr Glinne, on behalf of the Socialist Group; Mr Zeyer, on behalf of the Christian-Democratic Group; Mr Damseaux, on behalf of the Liberal and Democratic Group; Mr Stetter, on behalf of the European Conservative Group; Mr Leonardi, on behalf of the Communist and Allies Group; Mr Vouel, Member of the Commission . . . . .</i>	169
		11. <i>Agenda for next sitting . . . . .</i>	178

IN THE CHAIR : MR COLOMBO

*President*

*(The sitting was opened at 10.05 a.m.)*

**President.** — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Authorization of reports — Reference to committee*

**President.** — Pursuant to Rule 38 of the Rules of Procedure, I have

— authorized the Political Affairs Committee to draw up

— a report on Spain's request for accession to the Community

— a report on Portugal's request for accession to the Community;

— referred to the Committee on Agriculture, at its own request, paragraph 15 of the motion for a resolution tabled by Mr Inchauspé, on behalf of the Group of European Progressive Democrats, on behalf of the Group of European Progressive Democrats, on the practice of dumping and the threat posed to Europe by uncontrolled competition (Doc. 209/77).

3. *Granting of special rights to the citizens of the Community*

**President.** — The next item is the report drawn up by Mr Scelba, on behalf of the Political Affairs Committee, on

## President

granting of 'special rights' to the citizens of the European Community in implementation of the decision of the Paris Summit of December 1974 (point 11 of the final communiqué) (Doc. 346/77).

I call Mr Scelba.

**Mr Scelba, rapporteur.** — (I) Mr President, ladies and gentlemen, it was at the Paris Summit of 9 and 10 December 1974 that the subject of 'special rights' for the citizens of the Member States as citizens of this Community was raised for the first time. We find the following sentence in the final communiqué of the Paris meeting: 'A working party will be instructed to study the conditions and the timing under which the citizens of the Nine Member States could be given special rights as members of the Community.'

The Permanent Representatives' Committee subsequently asked the Commission to examine the problems which the granting of special rights would raise. The Commission submitted its findings to the Council on 3 July 1975, the document being published under the symbolic title, 'Towards a Citizens Europe'.

By letter of 3 October 1975 the Political Affairs Committee requested authorization to draw up an own-initiative report on the matter. This was given by the European Parliament at its sitting of 12 January 1976, and on 24 February of the same year the Political Affairs Committee appointed me rapporteur.

In its letter of 3 July 1975 to the Council, the Commission gave the following definition of the phrase 'special rights' which had been used at the Paris summit meeting:

'The special rights which it is envisaged that each Member State should grant to nationals of other Member States are certain civil and political rights; the granting of these rights would be based on a principle parallel to that on which the Community Treaties are based, i.e. equality with nationals of the host country in economic matters.'

On 9 January 1976 Mr Leo Tindemans, Prime Minister of Belgium, presented his report on European union. Under the title 'A Citizens' Europe', there is a whole chapter in the report devoted to the special rights to be granted to Community citizens.

Earlier, however, on 10 July 1975 the European Parliament had already adopted the Bertrand report on European Union, voting unanimously in favour of an amendment which I had tabled. The amendment read: 'The European Parliament hopes that, with a view to giving the peoples of the Community a sense of common destiny, a 'Charter of the rights of the peoples of the European Community' will be drawn up and that practical measures capable of contributing to the development of a European Community consciousness, which have been requested for some time, will be adopted.'

In preparing the motion for a resolution which is now before the House, the Political Affairs Committee considered all the documents I have mentioned. It was on the basis of these that we drew up the proposals now before Parliament. The Committee decided to seek a prior opinion from the Legal Affairs Committee, and the opinion drafted by Mr Bayerl was adopted unanimously with four abstentions.

In the chapter of the Tindemans report entitled 'A Citizens' Europe' — this is the chapter on the special rights of the citizens of the Nine Member States as members of the Community — prime importance is given to the protection of fundamental rights, of which civil and political rights are an integral part.

There was a step towards meeting the proposals of the Tindemans report when the presidents of the three Community institutions — Parliament, the Council and the Commission — signed a common declaration on fundamental rights on 5 April this year. The document, which had been adopted by Parliament on 10 February, stated:

'The European Parliament, the Council and the Commission stress the prime importance they attach to the protection of fundamental rights, as derived in particular from the constitutions of the Member States and the European Convention for the Protection of Human Rights and Fundamental Freedoms. In the exercise of their powers and in pursuance of the aims of the European Communities they respect and will continue to respect these rights.'

I felt I had to include this background information, not merely to complete the picture, but because it is in itself total justification of the decision taken by the Political Affairs Committee. The Committee regards Community protection of the civil and political rights of its citizens against possible infringements, even by the governments of the Member States, as the foremost special right to be granted to the citizens of this Community.

This is the major point in the resolution. Mr Davignon — who as representative of the Commission played an active part in meetings of the Political Affairs Committee — also gave it his full support on behalf of the Commission.

The purpose of the common declaration signed by the three presidents on 5 April 1977 was to reassure the citizens of the Community against the possible infringement of liberty by the political institutions of the Community. The document is primarily symbolic, since it is rather unrealistic to assume that the Community institutions, composed of representatives from nine different countries, could ever work against human rights and violate fundamental freedoms. This is why it was felt that a political pledge would be enough, and this is precisely what the common declaration is.

## Seelba

What should be underlined, however, is the fact that such a declaration was considered necessary despite the existence of the Treaties establishing the European Communities, which are based on the principles of freedom, and the recent decisions of the Court of Justice regarding its competence to pass judgment on human rights. But measures curtailing freedom could be passed by the institutions of the Member States, and the risk here is obviously greater in the case of national institutions than with the institutions of a Community made up of nine Member States. Measures which curtailed liberty within a Member State would create disparities among the citizens of the Community and, at worst, they could jeopardize the very existence of the Community.

It is in the Community's own interest, therefore, to have the legal right to take action against the Member States in order to protect civil and political rights. This should be permitted at least to the same extent to which the Community can intervene with regard to economic rights. These rights are enshrined in the Treaties and they are certainly less important than civil and political rights.

The equality of Community citizens in the enjoyment of civil and political rights is a corner-stone of the present Treaties. The measures outlined in the motion for a resolution are an attempt to strengthen the position of Community citizens. This is being done not merely for their own benefit, but also with the aim of strengthening the European Community.

In adopting this resolution now — at a time when human, civil and political rights are the subject of international debate, as well as being on the agenda of the Belgrade Conference — Parliament will be setting a twofold example. It will be an example both to the citizens of the Community and to the non-member countries. By adopting this resolution, the European Parliament will be indicating new ways for words to give way to action for the better protection of civil and political rights.

In order to ensure further the equality of Community citizens in the enjoyment of civil and political rights and to strengthen Community solidarity, the Commission is requested to press for an agreement between the Member States, under which the following would be considered as integral parts of the Treaties establishing the Communities:

- a) the European Convention on Human Rights of 4 November 1950 and subsequent Protocols;
- b) the International Covenant on Civil and Political Rights, adopted by the United Nations General Assembly on 19 December 1966;
- c) the civil and political rights provided for in the constitutions and laws of the Member States.

The resolution proposes that the uniform application of civil and political rights can be adequately ensured by the Court of Justice, particularly as the various

texts are sufficiently similar as regards legislation on civil and political rights.

Another measure proposed in the resolution is that, as a result of the incorporation in Community law of the legislation referred to above, Community protection equivalent to that provided for in the Treaties for economic rights can be extended to civil and political rights, with the necessary amendments being made. The Member States are not taking on new obligations by incorporating into Community legislation the civil and political rights enshrined in their constitutions or in the conventions drawn up by the international bodies to which they belong, such as the United Nations and the Council of Europe. Indeed, Community protection will reinforce the safeguards contained in the international conventions and the constitutional legislation of each Member State.

In any case, the safeguards provided by the international conventions have little real meaning in practice, because decisions in this field are taken by inter-governmental bodies and the signatory States are not always immediately bound by them. The political institutions of the European Community, however, are independent of the governments of the Member States and the decisions taken following any infringement of the Treaties are immediately binding on the nine governments. The constitution of the Community enables it to intervene more swiftly and effectively than other international organizations, which usually cannot act until some individual person has taken the initiative — which is not always easy.

On the basis of the principles which form the foundation of the Community Treaties, it may be that Article 235 of the EEC Treaty will have to be invoked for the implementation of the two proposals contained in the resolution, regarding increased safeguards for the equality of Community citizens in the enjoyment of civil and political rights. The Commission's legal experts are going to examine the matter thoroughly; should they find that Article 235 cannot be applied, they will propose that the Council use Article 236. Whatever the decision, the final legal text will require no more than two or three articles to lay down the specific powers for each institution. These are already laid down in the Community Treaties where economic rights are concerned. In brief, we want to extend Community powers over economic rights to include also civil and political rights.

Since the resolution clearly states that the legal instrument must define the roles of each institution, it is my opinion that the division of powers could be along the following lines: the Council could act in legislative cases, and the Commission in administrative cases, although the Commission would retain the right of initiative *vis-à-vis* the Council, and in more serious cases the opinion of Parliament could be sought.

### Scelba

I also feel that the Court of Justice should issue a binding opinion before the Council and the Commission adopt measures to protect civil and political rights. Individuals, the Council or the Commission could appeal to the Court, which would have to decide whether the case before it in fact constituted an infringement of the common civil and political rights of the Member States.

The resolution expressly calls for the recognition of the right of individuals to appeal to the Court of Justice when measures introduced by a national government are regarded as threatening civil and political rights. Appeals of this nature are already permitted in the case of economic rights and the Court of Justice has constantly upheld the principle that an appeal of this kind is warranted if economic measures introduced by a national government infringe the fundamental rights recognized by the Community Treaties, international conventions and provisions common to the constitutions of the Member States. We feel, however, that official action by the Council or the Commission would be more effective and meaningful. Such action is already possible in the case of economic measures introduced by the Member States.

The resolution also requests the Commission to draw up proposals, to be examined by the Council of Ministers, relating to a number of other, expressly defined special rights. These rights, which are to be granted as a matter of priority, include those outlined in the Tindemans report: the right to vote and to hold public office at various levels between local authority and State level, and the right to stand for and to vote at elections for political office; all the rights connected with the right to stand for and to vote at elections; the right of access to offices and posts in the professional, social and economic sphere; the right to belong to a trade union; the right of residence; the right of Community citizens to use their mother tongue and to choose freely lawyers from any Member State for their defence in court actions; the right to open private schools and to teach and study in them under the same conditions as laid down in respect of nationals; and the right to submit petitions.

The right of Community citizens to belong to a trade union comes under civil and political rights, but it is specifically mentioned in the resolution in order to emphasize the social nature of the Community.

In considering the right of residence, we qualified this by saying that it should be restricted to Community citizens showing evidence of possessing sufficient means of subsistence. This was done to meet the objections of those who feared massive emigration towards Member States with a more generous social security system.

The right to submit petitions already exists in practice, but it is included in the resolution in order to give it constitutional backing.

Recognition of the rights listed in the resolution will naturally require a set of Community regulations designed to establish the conditions, timing and method of introducing them in the Member States, on all of which the European Parliament will be called on from time to time to give its opinion.

There is no one who realizes more than I that the proposals in this resolution cannot all be dealt with promptly by the Council of Ministers or the governments of the Member States, and they can certainly not be adopted in the few months remaining before the direct elections to the European Parliament. The Political Affairs Committee nevertheless decided to submit the resolution to the House for number of political reasons which are also sufficient grounds for adopting the resolution.

Firstly, throughout the years it has existed the European Parliament has always felt that one of its basic tasks was to promote the cause of European integration, even though its efforts have not always met with success. To take only the major achievement, I feel I can say that the decisions on a directly elected Parliament would never have been taken but for the initiative and insistence of this House.

Secondly, as the elections draw near, it is becoming more and more important to show the idea of European integration in its true light, and to let everyone share in the immense potential which the European Community has to offer. The stock image of a European Community based on trade and technocracy does not correspond with the thinking which inspired the idea of European integration, or with the aims of the European Community.

The citizens' Europe — which the reports by the Commission and Mr Tindemans refer to — will achieve its fulfilment with the direct elections, but a citizens' Europe also means a Europe in which the citizens know and feel that they are part of one political family, where to start with they at least have equality in the enjoyment of civil and political rights, properly safeguarded. The citizens' Europe, in the true sense, will take several generations to establish, but the goal will never be reached if we do not move in that direction, taking advantage of the forward-looking ideas of the day, even though their development may be no more than gradual. And we shall never have a citizens' Europe unless our citizens all enjoy the same fundamental civil and political rights and unless, at the same time, they are all protected in equal measure against infringement of these rights — infringement not only by the Community institutions, but also by the institutions of the Member States.

## Scelba

In making the equality of Community citizens and the protection of their civil and political rights the prime concern of the European Parliament, we are endowing the policy of European integration with the highest ideals and giving the European Community a human face. The resolution before the House therefore takes on an additional meaning as a message to our European citizens. This message goes out especially to the young people who do not know which way to turn, lacking ideals, and who have been led astray by the resurrection of the false god of violence and by doctrines which, while promising to free men from slavery, merely transform entire nations into the tools of an autocratic minority. We must convince our young people that a united and free Europe is a fine and noble ideal worth striving for, and that if this ideal is attained their hopes for a new and better outlook will be realized. The resolution is also intended to strengthen the European Community, since it is based on the foremost ideal of human dignity and makes concrete proposals to reinforce the protection of civil and political rights within the Community. It shows the path to follow if we are to turn the citizens of the Member States into citizens of the Community.

I feel I can say, without any exaggeration, that this resolution, tabled by the Political Affairs Committee and supported by the Legal Affairs Committee and the Commission of the European Communities, is a document which if adopted will bring credit to this House which is now nearing the end of its mandate.

Furthermore, this resolution is — and is intended to be — an act of faith in the future of a united, free, democratic and truly social Europe. For these reasons, ladies and gentlemen, may I ask you to vote in favour of it.

*(Applause)*

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

**Mr Patijn.** — *(NL)* Mr President, on behalf of my Group I should like to thank Mr Scelba most sincerely for the report which he has presented to us and for all the effort which he has devoted to it in the past few years. I should also like to thank my friend, Mr Bayerl, the draftsman of the opinion of the Legal Affairs Committee who would also have spoken but unfortunately cannot be present.

His report, together with the Scelba report, was also a very valuable contribution to our discussion.

After yesterday's debates on terrorism and European elections we are now discussing the people of the European Community.

In the European Community we have a tendency to deal at great length with structures, the economic order and with the large concern with world-wide

commitments and to write splendid documents on them. But we have not been so terribly good and not so terribly active when it comes to finding out exactly what the European citizens actually expect of the European Community and this is exactly what the report is about. When we talk about special rights for the citizens of Europe, we are in fact doing so 25 years too late, because at the time we are talking these things should already have been put into practice.

Of course, this also has to do with the fact that we are not laying the first brick on a totally undeveloped site. All the countries of the Community recognize human rights, all are signatories to the Universal Declaration of Human Rights and have signed the 1950 Treaty of Rome and other human rights agreements fostered by the United Nations must go beyond the stage of formalities though, and ensure that these rights are actually put into practice by the authorities of the Member States.

But there is more to it: we are concerned here with the situation in which the Community now finds itself, not only with political and fundamental rights. This is what we are dealing with today. But I think — and this is something which my Group wishes to stress — that, since there are more than 6 million unemployed in the Nine, the citizens of the Community will first of all ask: what are our social rights, can the Community give us work, can we expect help from Brussels to improve our economic and social situation? With today's widespread unemployment, the right of women to work is all too quickly forgotten and was not mentioned in the report. I think that these rights have their place in a Community which concerns itself with economic and social policy.

Much of what the citizens of Europe expect from us is not so much in the field of fundamental and political rights, but in the field of social rights. It is true that in the nine Member States political and civil rights have, for the most part, been realized. I have just said something about that.

Nevertheless, when we speak in this House about incorporating the European Convention and the United Nations human rights agreements into Community Law, we are actually doing something positive, since we are giving a formal and legal definition to something which already exists in practice. Indeed it is up to the Community to ensure that human rights are upheld. In the Community of the Nine we should be able to state that this is our concern.

But I should like to ask Commissioner Davignon what we are going to do now. This creates a very great obligation, since we are not alone. Soon there may be 12 of us. This means that the countries which have not yet signed the 1950 European Convention of Rome will, by their very acceptance of EEC member-

## Patijn

ship, have to sign at the same time the European Convention on Human Rights; that this must be included in the negotiations with Greece, Portugal and Spain; whatever country wishes to become a member of the European Community will have to be directed to Strasbourg to sign the European Human Rights Convention if it has not yet done so. I should like to ask the Commissioner if he agrees with me that this must be an essential element in the negotiations with the applicant countries. At the moment this applies to three countries, but for other countries also this must be an essential element. Perhaps not the most difficult element, I admit, but an essential one. If we adopt the approach proposed in the report, it places a very great responsibility on our own countries and on the countries of those who with us in the European Community wish to maintain human rights. If we are going to put our signatures to all these documents and incorporate them into Community law, the Commission as guardian of the Treaties will have to consider it one of its duties to take action whenever there are violations of human rights. If such violations come to light, it will also, for its part, have to state its position on the matter in order to extend in this way its role of guardian of the Treaties to cover the area we are now dealing with. That is no small task, for we are running the risk of being accused straight away of interfering in a country's internal affairs. But just as the Commission as guardian of the Treaties must act within the scope of their provisions in order to put a stop to contraventions, it must, if we incorporate the human rights conventions into Community law, also fulfil its task as guardian in that respect. This means that the Commission must be active in supporting the maintenance of human rights. I put this question to Commissioner Davignon and hope to receive an affirmative answer. This gives the Commission a new and truly political task. But knowing the spirit in which Commissioner Davignon has cooperated with us in this report, I also know that the Commission is willing to assume this task, since it is an important and essential one for the European Communities.

On the whole I would say that we in the nine Member States are able to deal competently with civil, human and political rights. However, we have already stated on many occasions in this House that anyone who wishes to do business with us or conclude agreements with us must accept the maintenance of human rights as one of the essential elements of this Community. Human rights and civil rights are an article which we must do our best to export. This requires an active policy on the part of our Parliament and the European Commission, even with regard to Africa and countries elsewhere in the world where human rights are being trampled underfoot. We cannot say that we should maintain human rights for ourselves and adopt a fine report on the subject, only to close our eyes to what is happening elsewhere in the world. The maintenance of human rights is an export article. That is the way it must remain, it concerns humanity and is thus

a concern of the club of democratic countries which make up the Europe of the Nine.

We might of course be tempted to try and be more Catholic than the Pope and simply make the achievements of the United Nations and the European Convention of 1950 part of EEC legislation. I think that we have rightly opted for a different course of action. The danger is that if we were to do the former, certain aspects would be omitted, we would interpret certain points in our own way and add things of our own. I think we are wise to use this convention as a reference with a view to ensuring that a standard legal interpretation of universal rights is also universally adopted. There is no difference between what the Council of Europe, the Commission of Human Rights and the Court of Human Rights in Strasbourg are doing and what we hope to achieve. We must all take the same line. If not we run the risk of growing apart. For this reason, I think it is good to refer to these documents, but it would not be good to take them over word for word and subsequently put our own interpretation on them. However, we are not starting from scratch. The way has been paved by the Court of Justice in Luxembourg which, in a number of judgments, has performed excellently the function assigned to it in the European Community as far back as 1952 and which consists in acting not only as a guardian to ensure that the laws are duly respected, but as a catalyst for developments in Community law. The reason we are speaking here of incorporating provisions relating to human rights in the Treaties, is that we know we are obliged to do so in view of what the Court of Justice has already done. The Court has set a course which we must follow. What the Court has done in the field of jurisprudence we are doing in the field of legislation. This is the task of the legislator, this is the task of the Commission, Parliament and Council.

And now a few general points. This is, of course, not an exhaustive report dealing with all aspects of human rights. One thing, however, is undoubtedly very important. We must make it clear that this report is not a complete list of the matters to be discussed, but merely mentions some of the most important issues dealt with at the Summit — on which Mr Scelba has already spoken — and in the Tindemans' report and other reports on this matter. However, there is no point in summarizing all these points unless we are prepared to extend the right of the individual to see to it that these rights are upheld. I think it would be a very good thing if the Commission made new proposals for individual right of appeal for the citizens of Europe, in order to make it easier for the citizen to ensure that his rights, including his social and economic rights and his rights by virtue of his nationality, are respected. Currently, the possibilities offered by the EEC Treaty are extremely limited, which means that the Court is forced into a limitative interpretation of them.

**Patijn**

There is no need for us to compare the interpretations of Article 173 and other articles of the EEC Treaty in detail here.

We know what we are talking about. We have established free movement of workers. By means of Article 7 of the Treaty we have prohibited discrimination on grounds of nationality, but now we must also extend the right of the citizen to have this principle maintained by a Court of Law. We cannot, therefore, accept the reservation on this point contained in the Treaty. I hope that the Commission will consider submitting proposals on this matter in order to make clear where these rights could be extended and how this should be done, and that it will begin a dialogue with Parliament.

One of the reasons for bringing up this point, and this is my final remark, is our project for next year which we discussed in detail late last night. I am referring, of course, to the European elections. Next year we will have enough trouble as it is trying to persuade the citizens of Europe to go to the polls for a Community which spends all its time doing the Echternach dancing procession — two steps forward, one step back, two steps forward, one step back, and frequently one step forward and two steps back. If we ask the public, 'Are you intending to vote for a Parliament for the Community?' many of them will laugh and say 'Does this mean we will have to go to the polling stations?'. The European Community is involved in a mere 10 % of the activities of the national governments and even makes a poor job of this. We are all to blame, but this is a fact. Now we are intending to set up a Parliament and call the voters to the polls for this 10 %.

In a situation like this we must at least be able to show that the European Community will do more than others to protect the rights of the citizen of Europe and that we intend to make it possible for him to ensure that these rights are upheld if he is subjected to discrimination or if his social, economic, political and civil rights are not respected. This will require a great deal of concentrated effort with a very tight deadline, and if we fail in this, citizens will really be justified in wondering whether or not there is any point in their going to the polls next year. This report is therefore a good one and has come at an appropriate time.

We have the efficient cooperation between Mr Davignon, the European Commission, the rapporteur, Mr Scelba, who has put in some very hard work, and Mr Bayerl, the draftsman of the opinion of the Legal Affairs Committee, for this report. It might appear to be merely a question of legal technicalities and as such of little importance, but if we can translate this report into action and do something to ensure that the rights of the citizens in Europe are really upheld, it might become apparent many years from now that

it was one of the most important reports ever discussed in this parliament.

*(Applause)*

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

**Mr Jahn.** — *(D)* Mr President, ladies and gentlemen, I should like to begin by thanking our colleague, Mario Scelba, for the excellent report which he has submitted to us. We all know him and his total devotion to the European ideal. He passionately believes in promoting integration. This is reflected in the long and strenuous efforts he has devoted to this report on the granting of special rights to the citizens of the European Community in accordance with the decisions taken at the Paris Summit in December 1974.

My group is convinced that we, the Parliament, must do everything in our power to implement the decisions taken at the Summit Conference. The question is whether this Parliament is prepared to play its part in a dynamic process, laying claim to rights which lie in the logic of contemporary developments. We will have to fight, as we have successfully done in the past, to obtain further responsibilities for Parliament in addition to those laid down in the Treaties.

When Mr Scelba takes the 1974 Paris Summit as his starting point, he is well aware that we must also take the Tindemans report fully into account, and especially the section on a citizen's Europe.

Tindemans' remit from the Council was to make proposals on means of progressing towards a European Union. It is now for us to discuss these proposals and to seek to give them substance step by step in the form of resolutions, and I hope also regulations.

As we progress towards political union we must, as Mr Scelba attempts to do in his report, clearly delimit and define the civil and political status of the citizens of the Community. Our task is to lay down the rights of these citizens of the entire Community, which I would not even describe as special rights, and to give practical expression to the spirit evoked in several resolutions of this Parliament by means of a citizens' charter which will create an awareness of the Community dimension. Having established the basic rights of Community citizens, our task is then to ensure the defence of these rights throughout the Community.

It is therefore not surprising if the first aspect to be considered is full implementation of the UN human rights convention, the supplementary resolution of the General Assembly of the United Nations on 19 December 1966, which was quoted by Mr Scelby, and the European human rights convention. These were signed and ratified by all countries, and I believe that they provide a broad basis for establishing human rights throughout the entire Community. There is no need here for any new form of words, but it is clear

**Jahn**

from present-day discussions that if human rights were only properly realized, Man would enjoy the freedom he desires both as a social being and as an individual. We consider that the civil and political rights embodied as basic rights in the constitutions of the Member States should as a matter of course be regarded as common to all citizens in the Community.

Our motion for a resolution, however, goes one step further. We make it clear that we do not wish to safeguard only economic rights but also civil, i.e. political rights, and we consider that the Community institutions have a part to play. We take the view that citizens must have the right to appeal as individuals to the European Court of Justice and to petition the European Parliament.

There is no doubt that the move towards the granting of voting rights in local elections is a major step forward. As a result of the discussions so far held in all Community countries, we know that it will not be easy to have this step ratified, especially as it must be clearly established that the citizen can have the right to vote or stand for office in only *one* locality or region. If this can be achieved, part of the European identity will have been forged. As we advance along this road, the next step is conferment of the right to vote and to be eligible for election and of course also recognition of the right of assembly and association.

In the past, my group has made a very thorough study of the question of equal rights for those citizens who have settled and taken employment in one Member State but have their voting rights in another, their country of origin. The problem is particularly acute as so many elections are held in Europe, and it is nonetheless felt desirable that such people should be given the opportunity — whatever the system adopted — to vote in their own country.

My group is well aware that enjoyment of rights and eligibility for office in the occupational, social and economic spheres is possible only after a thorough scrutiny of all the preconditions. Particular importance attaches to the length of stay in the host country and the wish to become temporarily or permanently resident. It is then natural that such citizens should be entitled to join a trade union, an employers' association, a small firms association or a farmers' organization and to enjoy the full rights of membership. In my view it is a logical consequence of our constitutions and constitutional philosophy that the citizen who moves from one country to another must be free to choose his educational institution, his school and also to found private schools.

Ladies and gentlemen, what is proposed today is a step forward, a step in the right direction, a step, too, towards the extension of the responsibilities of this

Parliament and towards the political union which will be achieved only by involving the citizens of the Community. It also contributes to safeguarding the basic rights of our citizens. The Christian-Democratic Group will be pleased to vote in favour of the resolution.

(Applause)

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

**Mr Berkhouwer.** — (NL) Mr President, I should like to take my cue from what Mr Patijn said earlier on this subject in noting that although we spent the whole of yesterday — which I would call the big political day in this Parliamentary week — discussing matters of great importance, the question we are concerned with right now is perhaps the most important item of all on this week's agenda. For ultimately, what we are concerned with here is people — the European man on the street. Our rapporteur, Mr Scelba, set a high tone for this important item of business, and I should like to pay my respects to the way he always champions this cause.

Mr President, chance would have it that both yourself and Mr Scelby are citizens of Rome. It is a most remarkable fact that, 17 and a half centuries later, we are now trying to bring about a situation in Europe similar to that established by the Emperor Carracalla in 212 A.D., when he issued an edict enabling every inhabitant of the Roman Empire to say: *'civis Romanus sum'*. All these people were invested with equal rights and were able to move freely through what was then Roman territory, in other words, what was then Europe. We are now far removed from that state of affairs, despite — or perhaps because of — our technological progress. So far removed, in fact, that we can hardly make use of our technology: after all, imagine what a rigmarole we always have to go through before we can make use of our ultra-modern means of transport. In the olden days, people used to move around on horseback without any restrictions on their movements.

I should like to begin by saying that we must make a distinction between fundamental human rights like those enshrined in a variety of binding and non-binding international charters, beginning with the 1948 declaration of the United Nations which will soon be celebrating its 30th birthday. And then there are, of course our national constitutions in which fundamental rights are expressed in a variety of forms. We should, however, bear in mind that the citizens of the Community also have rights by virtue of their being resident in the Community. These have been dubbed 'droits speciaux' or 'special rights'. This expression is in fact not strictly correct, in that it covers in the main rights to which we are entitled as citizens of



**Berkhouwer**

the Community, and I cannot see why they should be called special rights. They are simply the normal rights to which one is entitled as a citizen of the Community, as a 'citoyen européen', and are therefore separate from the fundamental human rights guaranteed by the various international charters or national constitutions. Perhaps this did not come out particularly clearly in the report. My honourable friend Mr Jozeau-Marigné will be dealing with the legal aspects of this question at a later stage. As far as human rights are concerned, the Court of Justice has frequently pronounced basic rights to be an integral part of the rule of law in the Community, and a case is now being made for these rights to be incorporated as such in the Treaties, with the additional possibility of granting private citizens the right to appeal. We shall be hearing shortly which method appears to be best suited to this purpose. I am in favour of anything designed to make it easier to exercise one's basic rights. Mr Patijn just said that basic rights could perhaps be looked upon as an exportable commodity. I would say that basic rights should be regarded as a universal commodity. What we have to do is to ensure that they are respected throughout the world, without our having to export them. We could perhaps also say that the Universal Declaration of Human Rights — which applies to the whole world — should be made binding for the whole world, including our part of the world. There is, incidentally, no major difference of opinion between myself and Mr Patijn on this point. It may be true that, by giving the citizens of the nine Member States the individual right of appeal, we shall be getting into a kind of competitive situation. The question is how this right can be differentiated from the individual right of appeal enshrined in the European Convention on Human Rights, under which the citizens of Member States of the Council of Europe have an individual right of appeal once they have been through all the instances of their national legal machinery. We may then have a collision situation, because there would then be two paths open if we were to decide to grant an individual right of appeal within the institutional framework of the Community of the Nine or the Twelve. However, this is just a legal detail.

I should now like to turn my attention to the position of the European citizen and his efforts to re-establish the situation which existed centuries ago, so that there is a clearly-defined area within which every inhabitant can move about freely. For me, this is a matter of fundamental importance. It is intended to reach those of our European citizens who so often reproach me with the words: 'It doesn't mean anything to me. What's it all about? What am I supposed to do with this European Parliament? What am I supposed to be electing, with so many restrictions affecting me?'

The idea behind all this stems more or less from the Paris Summit Conference, in which I was myself

involved in my former capacity. The French President was organizing the meeting, and I had talks with him in which we discussed the question of what topics should be dealt with at the Summit.

What I said was: If it is really so difficult to make the necessary arrangements for large-scale ventures, why don't we try to do something for the man in the street instead? Something that will make itself felt in the day-to-day life of ordinary people.

As a result, the Summit Conference came up with two things — the so-called special rights for the European citizen and the passport union. I repeat that what I should like to see is for the European citizen to be given the right to move about freely. It is strange that we should be discussing here all kinds of rights to be granted to the European citizen such as the right to stand for and vote in elections for the local council in the area in which he works. Now let's come down to earth on this. At the moment, we have not even reached the point at which the European man in the street can stay where he wants to! But isn't this precisely the most fundamental right he must be granted? As far as residence is concerned, the citizens of our Nine countries are still subject to all manner of restrictions in today's Europe. In some cases, they have to report to the police if they want to stay longer than a certain number of days, and so on. Incidentally, I am delighted to see the President of the Commission and Mr Davignon here, both of whom are so deeply concerned with this subject. Shouldn't we then take first things first?

It should be noted that the resolution calls for a right of residence for all Community citizens. A right of residence! As far as this resolution is concerned, it seems then that there is not yet such a thing as a right of residence. Note that the relevant paragraph adds — and this is why I so much welcome Mr Pisoni's amendment — '... showing evidence of possessing sufficient means of subsistence'. In other words, you can only get a residence permit if you can prove that you have sufficient means of subsistence.

Now and again, I spend some time on the Côte d'Azur, where I have a holiday house. At any given moment then, the local authorities in the area where I have my house could ask me to prove that I had sufficient money with me, and, if I didn't have sufficient money, I would just have to leave.

This is really too silly for words. Should I have run out of money, there would be no point in my applying to the Mayor of Eze, where I have my holiday house. He would then tell me to go back to the Netherlands and apply to the social security authorities in my country of origin. Is it not idiotic that — leaving all formalities aside — we should still be discussing questions like this? An ordinary citizen still does not even have an established right to live

### Berkhouwer

and reside in any part of the Community. There is still not even a right of residence! What more is there to say?

I have always said that every one of the 200 million men, women and children in the Community should have a simple piece of paper for this purpose, and should be able to say: 'Here are my papers... I am so and so... here I am, and here I'll stay for as long as I like, and you just try and tell me otherwise!' But we haven't got that far yet. I said in 1974 that if we really wanted to do something for the man in the street, we ought to give him a simple identity card which would enable him to go anywhere and stay anywhere within the Community. In France, this is already more or less the case, because I know that my French friends can return home from anywhere in the world and need only show a 'carte d'identité'. But if I arrive in Amsterdam from abroad, I have to show my passport! I can't even get into the Netherlands by proving my identity in some other way. Quite apart from the fact that whenever I *leave* my own country by train for Germany, I have to show my passport to the Dutch passport-control officials! That shows how far we have got.

We sit here and talk in lofty terms about this and that, and yet we haven't even succeeded in doing the simplest things. I am aware that there is a lot of opposition to identity cards, the simplest little piece of paper I can imagine; this is true of my own country, where we first became acquainted with identity cards during the occupation, when they were forced on us by an occupying power.

In Britain too, there is opposition for emotional reasons; the British feel that they must be allowed to move around in their own country without being called upon to provide evidence of their identity. That is of course a perfectly reasonable aspiration — the right to anonymity.

But however much I am in favour of recognizing a human being's right to individuality, it causes me personally no bother to have to produce a simple identity card to prove who I am, because I believe that this way we can kill two birds with one stone. The introduction of identity cards will enable us to make a greater contribution towards combating insecurity and terrorism in our Community.

There are all kinds of people around! But if you can prove that you are a European citizen, you can retain your freedom of movement. And an eye can be kept on those who can't thus prove their identity.

Two things then came out of the Summit Conference — special rights and passport union — although I should have liked to have gone much further than passport union. After all, what has come of the passport union that was achieved? As a result of this agreement, the national authorities will be able to issue

more or less identical passports. But even given this achievement, the situation is pretty depressing. Mr Davignon and I exchanged a joke or two on this subject yesterday in the lobby, but I should like to ask Mr Davignon in all seriousness to give the man in the street at least some indication of our ability to work together. After all, is it not depressing that the national administrations and chancelleries are still at loggerheads on the number of pages the passport should contain, its colour and heaven knows what else? Is that not depressing? It seems as though we can never hammer away enough at this point, because otherwise we'd never get anywhere. This European Parliament must be able to offer something to the citizens of Europe.

Mr Scelba also brought up the question of personal documents in the Political Affairs Committee — personal items such as driving licences, sports licences and the like. And speaking personally, I should like to come back to the question of postage stamps and rates of postage — yet another of my hobby horses. As Mr Scelba, we are aware of the existence of GEPT, a club for all Community postal administrations, including some members from outside the Community, such as Greece and Monaco. Is it not then a sad fact that a citizen of the Netherlands has to stick a 55 cent stamp on a letter from Amsterdam to Rome, whereas one sent from the Hook of Holland to Harwich — in other words, covering just a fraction of the distance between Amsterdam and Rome — needs a 75 cent stamp? The British, the Irish and the Danes have now been Members of the Community since 1 January 1973. Small wonder, then, that people I meet every day in my own country say to me: 'Please tell me one thing. What is the good of the European Community if it costs me almost 40% more to send a letter to England than to Rome?' This is surely an idiotic situation! Why is this idiotic situation allowed to continue? What is the Commission doing about it? I address my words here to the British President of the Commission. This must be a matter of some concern to him as well. It is too ridiculous for words that a letter sent from the Hook of Holland to Harwich should cost almost 40% more than a letter to Rome...

What do you think about this? If we are going to hold direct elections at the beginning or the end of 1978, or at the beginning of 1979, why shouldn't we be able to issue European postage stamps? Can't the nine postal administrations get together to issue a common postage stamp, possibly charging a supplement to be paid into the funds for direct election campaigns? Of course I cannot give any details as to how the scheme should work. I would greatly appreciate it if Mr Davignon were to show a positive response to this suggestion of mine. I know it is a difficult matter, but we should bear in mind the words of

**Berkhouwer**

William of Orange: 'You don't need to be sure of success in advance before trying something'.

(Applause)

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

**Mr Rivierez.** — (F) Mr President, whenever he was faced with a problem, one of our great French generals invariably asked: 'What's it all about?'. Mr Scelba's report is entitled 'Report on the granting of 'special rights' to the citizens of the European Community in implementation of the decision of the Paris Summit of December 1974'. I must therefore hark back to what was said in the final communiqué of the 1974 Summit. This says that a 'working party will be instructed to study the conditions and the timing under which the citizens of the nine Member States could be given special rights as members of the Community' — and not as citizens of the Community. We must also decide what is meant by 'special rights', because the expression is not a legal concept. In none of our laws will you find a definition of 'special rights'. The Commission was therefore obliged to ponder deeply upon the scope of these 'special rights', and I think it has done a very good job, as witness this covering letter to the Council. Not being *au fait* with the preparatory work for the Summit decision, I had to make enquiries to find out what had really been meant. It was, I learned, the Italian delegation which had suggested that 'special rights' means 'the right to vote in local elections'.

It was therefore not the aim of the Heads of State and Government, in 1974, to lay down a definition of citizenship of the Community. They opted, on the contrary, for a step-by-step approach and not for a great leap forward. At the present juncture, however, when we look at what has been done, both by the Political Affairs Committee and by the Legal Affairs Committee, we are rather surprised at the title of the report on the implementation of the 1974 Summit's decision. The report should have been entitled, both by the Legal Affairs Committee and by the Political Affairs Committee, 'Report on future citizenship of the Community', because I understand perfectly well, after listening to the excellent presentation by Mr Scelba, what we are driving at. The first part of the report of the Political Affairs Committee pointed the way to the future, to the definition of Community citizenship and civil and political rights at Community level. It is therefore a report which could have been prepared in conjunction with our work on European Union and, at a later stage, Political Union.

I could describe this report, broadly speaking, as anticipatory. A position is stated as regards definition of the civil and political rights of the Community citizen at Community level, and this approach to Community civil and political rights makes no reference to

national legislation. It could have been asserted that all nationals of the individual Member States of the Community are citizens of all the Member States of the Community, thus creating a single citizenship for all the nationals of all the Member States. This citizenship would have been defined by each nation, the content of civil and political rights also being defined by each nation, naturally with all the necessary references to the fundamental rights which are identical throughout the Europe of the Nine.

But a choice was made in this report regarding citizenship of the Community, namely that this citizenship will be defined, as far as civil and political rights are concerned, by Community law which itself will be safeguarded and upheld by Community bodies. You can see, therefore, that we are going a long way, well beyond the economic and social rights which we now enjoy under the Treaty, and which are safeguarded by the national laws of which they have become a part. It is only when Community law is broken that the Council, Commission or Court of Justice of the Community intervenes. So this report deals with the future. Thus, Mr Scelba is shaping the Europe of tomorrow, and there can be no doubt that this approach to citizenship of the Community deserves a major debate. These days, for example, nobody ever mentions the Court in Strasbourg, now that we have incorporated the Convention on Human Rights into Community law. You can see for yourselves that certain vital issues are not even touched upon.

We have proceeded by affirmations. There will be a citizen of the Community, whose civil and political rights will naturally be the same throughout the Community, and this Community citizenship will be supervised by Community bodies. This, then, is a political choice, and one which is understandable. Our debate, which concerns special rights and not the rights of the citizens of each Member State of the Community, is a simple approach. That the French citizen in Germany, for example, should not be a foreigner, but enjoy similar rights to those of the German citizen without being entirely like him, that is what the Summit Conference intended. We have strayed a long way from the problem! And then, at the end of the report, there is a very brief statement of various actions to be taken.

The first part of Mr Scelba's excellent oral report points a way towards Political Union and Community citizenship. It is therefore a document, a *de facto* statement of our Assembly, and it will give us food for thought. A choice has been made, and made without all of us having reflected on the problem, because we had not been called on to do so. It is a choice we can accept, depending on our concept of Community citizenship, or abstain from accepting at the moment, not having reflected deeply enough about the matter. We can also reject this choice, though, without this

**Rivierez**

meaning that we are opposed to progress by our Community towards the Community of tomorrow — one in which all citizens will be equal in terms of civil and political rights.

This is why we maintain that this first part should not have been outlined in this report but in a special report. We need time to reflect, and we shall abstain from voting. With regard to the second part, dealing with the special rights envisaged by the Summit Conference, I consider that the report goes too far. It should have stopped at the right to vote and hold office at local level. For the rest, we should wait. But you are right to go further, because this Assembly has a right and a duty to give a lead. But it is not sufficient to reflect more deeply on these special rights. You have not considered the problem of the right to join a trade union, the problem of the right to form an association. In France, for example, a foreigner cannot form an association of foreigners without the permission of the State. The State's authorization is also required for the publication of foreign books; but should that also apply when the foreigners are citizens of Community countries? We must, therefore, continue to reflect in depth.

Those, Mr President are the few observations I wanted to make. I offer my congratulations to Mr Scelba, who has opened up an avenue which leads towards our goal. But is it the right one? Should it be changed, improved? Or should it, by contrast, be approached from the legal standpoint of the Europe of Nation States? We ask for time to reflect. As far as the second part is concerned, I would say you were right to point the way; but do not lose sight of present-day realities.

*(Applause)*

**President.** — I call Mr Fletcher-Cooke to speak on behalf of the European Conservative Group.

**Mr Fletcher-Cooke.** — Mr President, the economists are waiting impatiently in the wings for the politicians to get off the stage, and therefore I shall be short. On behalf of the European Conservative Group, I welcome the report of Mr Scelba. He has laboured long on this task, and it must be a great feeling of satisfaction to him that at last it has come to fruition.

Like the last speaker, I have had difficulty in defining and understanding what is meant by special rights. I have been greatly helped by the document that was put out by the Commission on 2 July 1975 entitled 'The Granting of Special Rights'. On page 6 of the English text, it is explained that special rights are not the civil rights and liberties which are generally granted to all foreigners, nor are they the economic, social political rights granted to the nationals of the nine countries under the existing European Treaties.

They are something more than that. They do not yet exist, and we are urging that they should be created. Among those for which there seems to be general support is the right to vote and stand at local elections. That seems to be generally agreed, and there are no doubt many others, some examples of which have been given by Mr Scelba in his report.

When Mr Berkhouwer mentioned to us the parallel of the Emperor Caracalla who, I think in the year 212, conveyed Roman citizenship upon all the inhabitants of the then Roman Empire, I do not think the parallel was quite as easy.

There, the simplicity of the act was evident. But, in this case, judging by the report, it is very complicated indeed. If one looks at the second paragraph of the report on page 6 — the second of the requests to the Commission — as far as I can understand from paragraph (c), what is to be considered is not merely the conferring of rights as integral parts of the Treaties, the European Convention on Human Rights and the International Covenant on Civil and Political Rights, but also civil and political rights provided for in the constitutions and laws of the Member States. By that I understand that, for example, an Englishman would, to some extent — though to what extent I do not understand — have the rights conveyed on a Dutchman by the Dutch Constitution. It would be very difficult for the Dutch to achieve a reciprocal benefit of having the rights conveyed on the Englishman by the English Constitution, there being no English Constitution. The Dutchman would not get a very good bargain out of this arrangement. As I understand it, among the notions of civil rights is the right of a citizen of one Member State to acquire the rights under the constitution of another Member State. That is a complication, the extent of which has not been altogether defined, and something which the Emperor Caracalla certainly did not have to face.

However, these are carping points. This is a broad political objective. I think it should be based quite clearly as such, and that is why I support the legal objection of the Legal Affairs Committee when it says that Article 235 is an unsuitable legal basis, since the granting of special rights does not constitute one of the objectives of the Community within the framework of the Common Market as mentioned by that article. I would much prefer, as is suggested in Amendment No 4, the substitution of Article 236 and — as I understood from the speech of the rapporteur — he himself would not object to that substitution. I think that would put us on a much firmer basis. This is an ongoing task that Parliament, Commission and Council have embarked on. It is a difficult task. It is one which we support, and we wish it a fair wind.

*(Applause)*

**President.** — I call Mr Jozeau-Marigné.

**Mr Jozeau-Marigné.** — (*F*) Mr President, ladies and gentlemen, we have heard the views of the group spokesmen following Mr Scelba's most excellent report, and I should like to thank him most warmly. Mr Patijn spoke just now of his regret that, because he was unable to be present throughout today's debate, he did not hear the speech of the draftman of the opinion of the Legal Affairs Committee. I too regret having missed it, and I should like to touch very briefly on one or two points raised by that committee during a discussion in which it was my privilege to deputize for the chairman, Sir Derek. When one speaks in a debate after a wide-ranging explanatory statement like the one we have heard today, it is difficult to avoid being repetitive. Nothing is more tedious for an audience than to hear variations on the theme of a prepared text. I should therefore like to keep my contribution short and say merely how much I agree with certain views expressed earlier, particularly those of Mr Rivierez. I shall confine myself to two observations of a legal nature.

They are observations of a legal nature because, as Mr Rivierez said quite rightly just now, when one is discussing a text one likes to have as precise a definition as possible. Precision is all the more necessary when one is dealing with legal terms, which must have a definite meaning in practice, and especially when one is referring in some way to a new right. Thus Mr Rivierez referred in his speech just now to the final communiqué of the Paris Summit Conference of 1974. He recalled that the suggestion made there came from a working group which was anxious that a study should be made of the 'conditions and timing under which the citizens of the nine Member States could be given special rights as members of the Community' — in this context I address myself to you, Mr Davignon, as a Member of the Commission, for there are two terms which strike me particularly, and Mr Rivierez himself has dwelt on them at length. The two terms are 'citizen' and 'special rights'.

As regards 'citizen', we note that up to now, when reference was made in Community texts to the people of the Member States, the word 'nationals' was used. And this is almost the first time the word 'citizen' has appeared. Thus, when Mr Rivierez said that we were today anticipating future developments to some extent, I think he was quite right. We wish to clear the way for an extremely important right, which we should regard today as a precursor of research into the definition of 'citizen' in comparison with 'national' — research which will necessarily be much more detailed and, if I may say so, much more delicate. The linking of the terms 'citizens' and 'special rights' may suggest to us that the will exists to confirm the civil and political character of these special rights.

But what exactly does the term 'special rights' mean? It means, perhaps, the granting of certain rights to the 'citizen' — since that word is now being used — of

the Member States — rights which they do not yet possess. One cannot deny that the nationals of the Community already enjoy basic rights both in their own country and in the other Member States. Special rights are not therefore merely a form of basic rights. They are political rights traditionally denied to foreigners (for example the right to vote, the right to stand for and hold public office) at local, regional or national level.

In this context I should like to stress that Mr Scelba's report contains an assessment of the way in which basic rights are at present protected in the Community, and some suggestions on how this protection might be improved. In my view, there is a considerable difference between basic rights and special rights, and it is indisputable that these basic rights existed much earlier. I would not use the term 'exported right' employed by Mr Patijn, the spokesman for the Socialist Group, in his speech just now, since the word 'exported' implies that something is granted to those outside a given country, whereas basic rights must be intrinsic rights of people throughout the world. And these rights must be accorded not merely in particular countries but to all human beings.

What remains for us to do? Even if a basic right knows no frontiers, we in the Community must still seek ways of guaranteeing observance of it. In everyday life confusion often exists between a right, a possible right, and proof of this right. I am afraid that a similar mistake may be made today. In my view — if I may develop this distinction for a moment — the text of the motion for a resolution before us today should not suggest that there is any questioning of the need to protect basic rights, which are now very definitely safeguarded by the Community judges. I also think that the legal guarantee thereby afforded is in present circumstances at least as strong as that which would result from the adoption of a catalogue of rights.

At this point I should like to recall that this House passed a resolution on basic rights only a year ago. I hope that it will be borne in mind that a resolution such as the one before us today should not undermine the position then taken up by this House, and that it should not change its mind, for I remain convinced that the position adopted by the Court of Justice of the European Communities with reference to the European Convention on Human Rights was satisfactory. It is, in my view, inconceivable that the drafting of a catalogue of rights should conflict with the decisions which we have taken. That, Mr Commissioner, is what I wanted to stress.

My second observation seeks to clarify the nature of the legal basis. In this context, we note the position taken just now by Mr Scelba whose report contains as an annex the opinion given by Mr Bayerl on behalf of the Legal Affairs Committee. On the other hand, his

### Jozeau-Marigné

views on the legal ground were those expressed in his oral explanation, in which I heard him say just now that he thanked Mr Bayerl for giving that opinion. In asking that the resolution presented on behalf of the Political Affairs Committee should be adopted, he mentioned that the vote of the Legal Affairs Committee had been unanimous. Indeed, the Legal Affairs Committee did vote unanimously, but what was the conclusion reached by that Committee and by Mr Bayerl?

I am dealing here with the question of the legal basis. The last speaker said, on behalf of the European Conservative Group, that he supported the position of the Legal Affairs Committee. Recourse to Article 234 was excluded, and I approve of this view, but in this context I should like to quote the final remarks of Mr Bayerl's report:

The Commission rightly regards Article 235 of the EEC Treaty as an unsuitable legal basis since the granting of special rights does not constitute one of the objectives of the Community within the framework of the common market as mentioned by that Article. (...) Article 236 is more relevant since it explicitly authorizes amendment of the Treaty, which is what would be involved in this case.

Those are the views of the entire Legal Affairs Committee, but I should like to return to the resolution and quote its second paragraph:

To press for an agreement between the Member States, on the basis of Article 235 and, possibly, Article 236 of the EEC Treaty...

Can I say that such a conclusion is in accordance with the unanimous opinion of the Legal Affairs Committee? No, because in my view, which is also unreservedly shared by the spokesman of the European Conservative Group, Article 235 could not be a suitable legal basis.

Moreover, the Legal Affairs Committee thinks that the legal basis you had chosen was the correct one. I therefore conclude that a substantive error has crept into the text of the resolution of the Political Affairs Committee, or at least that is how I should like to interpret it, since Mr Scelba, in his oral explanation — for which I once more warmly thank him — said that he thought he had the support of the Legal Affairs Committee. The text should therefore aim very clearly at an agreement among the Member States on the basis of Article 236, and the words 'Article 235 and, possibly ...' should be deleted to avoid confusion.

That is why, Mr President — and I ask you to forgive me for speaking so long, when I meant to be brief — I state that in my view this is only a beginning and, moreover, that the text on which we are about to vote today should not suggest that we are undermining the position taken up by the European Parliament on basic rights more than a year ago. And I would

strongly advise the Commission, when it acts on the basis of this decision, to rely solely on the text of Article 236.

*(Applause)*

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

**Mr Masullo.** — *(I)* Mr President, I think that this morning's debate, and especially the comments made by some Members of the Legal Affairs Committee, have demonstrated the two fundamental dangers of this motion for a resolution, which Mr Scelba has presented with such goodwill and dedication. These two fundamental dangers are: firstly, the danger of confusing an ideal with the realities of a process which is under way; and secondly, the danger of initiating a highly idealistic debate which may camouflage the inability of Community structures to face up to and solve concrete problems. In spite of these two dangers I feel that we must express our general approval for the motion for a resolution. We must do this because to my mind the motion for a resolution, despite all its technical and legal limitations and all the constitutional and international problems, and problems of Community law, that it creates, is nevertheless a timely challenge. It is a timely challenge because, basically, the crisis which has seized the Community institutions and struck the moral and political awareness of us all is the crisis of a Community structure which recent events have shown to be no longer viable — that is, no longer viable as a Community based on pure and simple identification with strictly economic mechanisms. Our Community can only continue to be viable if it has the courage to transform its character — if, from being a Community of products, it can become a Community of people. And it is in this sense that Mr Scelba's motion for a resolution represents a real challenge. For it reflects a real need — the need for a change in character.

The subject of direct elections to the European Parliament has quite rightly been mentioned in this debate. Clearly it will be impossible to ask the people of Europe to vote for a Parliament whose sole function is one of consultation in the management of various economic and trade transactions — for although this function is no doubt of great importance, it would, in isolation, soon become a dead end.

Mr Scelba's motion invites consideration at three different levels of three different aspects, all of which will I hope be explored by the Commission and Parliament. The first aspect to be considered is how the citizens of each Member State should benefit from the fundamental and legal rights enjoyed by the citizens of their host country. And it is in this context that we come up against the rather strange concept of 'special rights'. In this House some speakers have already pointed out that the reason for this slightly curious term is that it was originally used rather loosely, referring to the possibility of granting special rights, of

## Davignon

Community has achieved should include the mechanism for the protection of human rights developed under the Council of Europe and the United Nations, as well as the will to give its citizens additional guarantees over and above the civil and political rights granted national constitutions.

Admittedly, the task of transforming this political vision into a new form of Community law — as Mr Jozeau-Marigné and Mr Rivierez rightly said — is a difficult and lengthy one. But that is not the point here. I think it is thus important not to go along completely with one of the proposed amendments by saying we should just talk about Article 236. I do not think we should neglect Article 235, otherwise we would be prevented from taking such action as is already possible in accordance with this evolutionary concept that we — and the Court — have of the Treaty, namely that we should exploit all the implications of the Treaty so as to interpret it in terms of a more dynamic process of development. Let us, therefore, not dismiss Article 235 but put it on the same footing as Article 236 or even, if you like, give priority to Article 236, but without dismissing Article 235. To conclude this first point, Mr President, the essential point seems to me that the fact of belonging to a Community provides an additional guarantee for the basic rights which the citizens would enjoy in any case, whether or not they belonged to this Community.

It is then a question of ensuring that the action taken by the Community is coherent. I think that is what Mr Patijn meant when he spoke of an article for export; he meant, I think, — and on this point we are in agreement — that we cannot talk about basic rights when discussing our actions within the Community and then ignore them when the Community is faced with other problems. This is relevant to the question of enlargement: what has been achieved under the Treaties must be respected by all States wishing to join the Community. This motion is of great importance because it declares that it will be necessary to develop the notion of European citizenship and that in the course of building Europe certain legal modifications will have to be made.

This resolution is also relevant to the overall concept of our contractual and structural relations with third countries. I shall not go into this as we shall have an opportunity of returning to the subject. The Community cannot be coherent unless it remains faithful to the basic principles on which it is founded. This, I think, is why, while recognizing — and Mr Scelba is the first to admit this — that the special rights referred to in 1974 do not correspond exactly to what we are doing now, I would regard it as wrong if no reference were made in a Parliamentary document to basic rights and why in future they will be part of the achievements of the Community although the legal basis for this is not given in detail in the Treaty.

Is the citizen in fact protected against abuses committed by Community authorities? I do not wish to go into details here, but I think it is important to note that the Court has pronounced on this matter and has recognized, in two very important judgements handed down in 1969 and 1974 respectively, that the observance of basic rights is an integral part of the general principles underlying the law which the Court upholds. This is one of the reasons why I should not like to see Article 235 replaced by Article 236 but would like to have the two maintained together. The Commission, in its 1975 report on European Union, gave a very clear opinion on this point and on the necessity of ensuring that citizens are provided with suitable instruments of protection with regard to all authorities, including those of the Community.

The next point is the definition of 'special rights'.

Without returning to the legal definition given by the Commission in its document, I should like to try and explain in simple political terms what these 'special rights' are. It seems to me that special rights are those enjoyed by citizens of the Community by reason of their belonging to an entity other than their national community. This motion takes in a large number of different questions; for example, as Mr Fletcher-Cooke pointed out, the claim to enjoy certain rights to be granted by the Member States, such as direct or indirect participation in elections at local level. It is worth noting that it is up to the Member States to grant these rights, irrespective of any convention that might be signed at a later date enshrining them in the Treaty. It will be up to each Member State to make provision in its legislation for the rules of eligibility at local or regional level (citizenship of a Community Member State, residence qualifications, etc). And I think it is of fundamental importance to make a move in this direction, despite the difficulties that will be encountered, in order to show that the development of the Community, and the very fact that we are in the process of building this Europe, implies the ability to take part in activities which are not exclusively of a national nature. This seems to me to be consistent both with the step-by-step approach and with the idea of what it is hoped to achieve. Without a political concept of what is to be created, no progress will be made. As long as we do not progress by small steps, there is this extraordinary excuse which says that unless every citizen of the Community can become a Minister or President in any Community State, there is nothing that can be done to show our cohesion and the convergence of our attitudes. This is the ideal excuse for not taking a certain number of steps which are possible.

Mr Berkhouwer mentioned two items of symbolic importance. He asked whether this feeling of belonging to a single community could not be created



## Davignon

by the use of documents which made it apparent. We in the Commission — and the Political Affairs Committee agreed on this — have opposed the idea of a European identity card because, if the worst came to the worst, that would mean that citizens would have to have both a national identity card and a European identity card. This would come down to telling people that the great step forward achieved at European level consisted of being obliged to have two documents instead of one! Citizens of countries where identity cards do not exist would be surprised to find that they were to be expected to have an additional card if they wanted to keep out of trouble.

If, on the other hand, we say that the issuing of a European passport is a sign that one no longer belongs exclusively to one's national community but to a European community as well, this is an approach which the Commission regards as full of advantages. It is, after all, time the Member States abandoned these futile squabbles they have been involved in. There is now an agreement on the colour of the cover of the passport. Admirable progress after a year and a half! It remains to be seen, however, whether we are to use all the languages on the first page or just some of them, what is to be put on the second page, and so on. Every undertaking needs symbols, and a symbol such as the passport is a good thing — just as postage stamps can also play a part.

In conclusion, I should like to say that the Commission has given and will continue to give its unequivocal support to the proposed measures. It wants Parliament to continue its detailed and concrete work on the implementation of the rights mentioned in this motion. Otherwise, we shall have sounded the trumpet once but we shall not have started to build the Community which Mr Rivierez was talking about just now. We shall also have to solve all the difficulties we put in our own way whenever we want to create something new.

These are welcome difficulties, they are not the same as the problems of stagnation.

Secondly, I think it is of fundamental importance that now we are about to hold direct elections, we should demonstrate quite categorically that the Community is not a purely administrative, technocratic and economic organization but that it has a fundamental political significance. When, in the darkest days of the Cold War, the authors of the Treaty of Rome launched an appeal in the preamble to all freedom-loving countries, this demonstrated our concept of how to preserve the civilizations of the signatory countries of the Treaty of Rome. It is thus normal that we should now solemnly reaffirm the values on which the Community is built. As you know, the Commission intends to make proposals to the European Council for the ideas of pluralist democracy contained in the document on the European identity to be accepted

once and for all as indispensable elements, for all present and future Member States of participation in the European Community. It is in this context that the first part of the motion for a resolution, which is based on the Strasbourg conception of human rights, must be regarded as part of the established thinking of the Community with a view to subsequent discussions on incorporating it in legal terms. We are well aware, however, what effect our declarations have on current negotiations.

I think, therefore, that in this motion we have a balance between the anticipation which is indispensable for any important operation and the sense of realism which gives credibility to what we are doing. We have indicated a certain number of special rights which will show citizens what additional advantages they enjoy from membership of the Community. This, for me, is the simplest definition of special rights. We show what legal obligations the Member States have to respect basic rights, and with regard to procedure we indicate what legal form these obligations will have to take and how they are to be discussed. It is by means of consultations between Member States, the Commission and Parliament that we must try to find the necessary answers to these delicate questions. A number of speakers have said that the question raised today will rank as one of the major topics dealt with by Parliament. I share this view, provided that the members of the European Parliament agree to draw the attention of their national parliaments to the transformation that we are beginning to make, otherwise they will not realize what is happening, namely that in addition to symbols, the citizens of Europe are to be provided, in respect of the values on which the Community is founded, with guarantees which go beyond the simple national guarantees. This is neither interference in the internal affairs of the Member States nor the beginnings of a supra-national State seeking to supervise the policies of the other Member States. This development shows that we were not mistaken in 1958 when we affirmed that freedom was a basic condition for building Europe. There are times when it is worth recalling this, and today it is of particular importance.

*(Applause)*

**President.** — I call Mr Scelba.

**Mr Scelba, rapporteur.** — *(I)* I should like to thank all my colleagues for the attention they have been so kind as to devote to the report I have drawn up. I should particularly like to thank Mr Davignon for his contribution to this debate. I will not repeat what he explained with such authority and crystal clarity in reply to the statements made by some of the speakers.

I shall merely make a number of observations regarding certain points which have arisen during the debate. Firstly, as regards the title of the motion for a resolution, I must admit that I am not happy with it



## Scelba

myself. However, even if we had chosen a different title, comments would probably still have been made. We therefore opted for a simple, modest title so as to keep in line with the study carried out by the Commission which dealt with 'special rights', but it was not our intention to define this term precisely. What matters is, of course, the substance and not the wording. As the ancient Romans used to say, 'omnis definitio est periculosa', and for this reason we preferred the simple title we have chosen.

I have been asked how we will be able to ascertain whether the various provisions are interpreted in the same way? Well, as I said in my first speech — and I also stated this explicitly in the motion for a resolution — it is up to the Court of Justice to establish the common criterion. There is then no risk of a conflict, particularly as talks are already underway between the Court of Justice and the Court of Human Rights in Strasbourg with a view to finding areas in which they can cooperate and coordinate their activities. It is therefore up to these two Courts to make the necessary provisions for ensuring that these rights are duly applied.

Mr Patijn made the observation, which was taken up by Mr Masullo, that no mention has been made here of social rights. If we had gone into this specific aspect too, we would probably have departed too far from the subject of the Summit. Although we have restricted ourselves to civil and political rights, the social problem is, of course, one to which we attach great importance and which could be dealt with separately some other time.

Mr Jozeau-Marigné — who is unfortunately not present — reminded us that, in its opinion, the Legal Affairs Committee stated that it was in favour of applying Article 236 of the EEC Treaty.

The Political Affairs Committee is of course under no obligation to go along with the opinion of the Legal Affairs Committee, but it has nevertheless acknowledged this opinion by not only supporting my suggestion that Article 235 could be applied by virtue of the basic principles enshrined in the Treaty of Rome, but also saying that the task of studying the question in detail should be left to the Commission, and explicitly stating that, if the Commission should conclude that Article 235 is not applicable, Article 236 could be applied instead. In this way we have, I repeat, paid tribute to the Legal Affairs Committee, which drew our attention to the applicability of Article 236.

I was very pleased that Mr Davignon drew attention to the significance of Article 235, which he said could be applied for at least some of the Commission's activities. It would be ridiculous if we failed to take advantage of such a major legal basis as that offered by Article 235 of the EEC Treaty, which would make it much easier for the Commission to achieve the aims towards which we are working.

I should like to remind Mr Berkhouver, who complained that no mention was made of personal documents, that the Political Affairs Committee decided to omit the section in the original version of my report dealing with special documents — in order to make our discussions a little more manageable — and to submit to Parliament a separate motion for a resolution on this subject.

Mr President, I have nothing to add except to stress what has already been said by others. True, the Paris Summit only looked into a limited number of aspects. Nevertheless, as Mr Davignon rightly pointed out, several years have passed since then, and we have not even managed to make the small steps forward provided for at this Summit. We should not forget that since this Conference we have had the Tindemans Report, which contains an entire chapter entitled 'A Citizen's Europe' devoted to special rights. In fact, the person appointed by the European Council to report on European Union merely enlarged on what was decided at the Paris Summit. I should like to add that, having looked through the documents submitted by the various governments to the Working Party, I see that the German delegation has submitted a document dealing exclusively with the protection of basic rights within the Community. This shows that the governments too have recognized the need to go beyond the limited framework of special rights mentioned by the Paris Summit and deal with the whole question of civil and political rights.

Mr President, I feel this document does credit to the European Parliament. At a time when human rights are under discussion throughout the world, we do not wish the Community to play a secondary role. We cannot leave the debate on civil and political rights exclusively to the great powers. In dealing with this question the European Community will be reaffirming its wish to have its own say in this matter.

*(Applause)*

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

#### *4. Economic situation in the Community*

**President.** — The next item is the joint debate on — the report (Doc. 377/77) drawn up by Lord Ardwick, on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission of the European Communities to the Council for a decision adopting the annual report on the economic situation in the Community and laying down economic policy guidelines for 1978;

— the oral question (Doc. 368/77) with debate put by Mr Durieux, on behalf of the Liberal and Democratic Group, to the Commission of the European Communities:

## President

Inflation and its repercussions on employment continue to pose an alarming problem in Europe.

1. Can the Commission, in the context of the proposals it is due to present to the European Council, already summarize progress reached in research carried out on this subject?
2. Can the Commission summarize research currently being conducted in the Community or elsewhere with a view to finding new solutions?
3. What progress has been made by Commission research into non-inflationary job creation?
4. Does the Commission have statistics on dole scroungers? Can it also provide a breakdown of unemployment statistics by occupation and by sector, such data being an essential prerequisite for any proposals on the diminution of unemployment?

— the report (Doc. 345/77) drawn up by Mr Santer, on behalf of the Committee on Social Affairs, Employment and Education, on the conclusions to be drawn from the tripartite conference of 27 June 1977.

I call Lord Ardwick.

Lord Ardwick. — Mr President, in the days when the English music-hall was a living institution, the last act on the bill consisted of a rather shabby troupe of acrobats who carried on with their work while everybody was reaching for his hat and coat and going out to have a meal. I feel myself to be in this situation today. In fact, it is always with amazement and a certain sadness that I note how small the audience is in this Parliament, which is the Parliament of an economic Community, for any economic debate. Perhaps it is because we have too many of them. I should not be surprised if a lot of people today have a sense of *déjà vu* and perhaps *déjà entendu* because this is the third major economic debate we have had over a period of eight months. In March we debated the medium-term programme, in September we discussed the current economic situation in the light of an earlier oral report by Mr Ortoli, and now, two months later, here we are at it again, this time on the annual report.

Mr President, I wish I had Mr Ortoli's panache in these debates — he conducts each one of them as if it were a cavalry charge, and in another context in Britain we would call him the Prince Rupert of debate. I have the rather tedious job of pointing out that the economic situation has changed only marginally, if at all, since our last debate.

As the Council wishes to adopt the Commission's guidelines on 21 November, within one month of their being published, we have not had time to produce a written explanatory statement. Mr Ortoli came to the Committee on Economic and Monetary Affairs and introduced the Commission's report, and then a resolution was considered and adopted in one meeting. This was only ten days after we had received

the Commission's document. Now, this meeting was not the most satisfactory meeting of the committee which I have attended. There were only just enough members to form a quorum, and not all of those present were card-carrying members of our committee. They were *remplaçants* who gallantly came to our aid.

In the circumstances the only course for the rapporteur and the *doyen d'âge*, who took the chair, was to get a resolution through which would not upset anybody and would not please anybody very much. It was a kind of innocuous consensus between him and me, and so you get an unusually bland resolution before you today. But, of course, it does provide a basis for today's discussion, especially as it is linked with Mr Santer's report from the Social Affairs Committee on the Tripartite Conference and Mr Durieux's question on unemployment and inflation.

Mr President, this is bargain morning in the European Parliament, three for the price of one, or at any rate, shall we say, two and a bit.

The Committee on Economic and Monetary Affairs, I should point out, did not examine, for lack of time, the guidelines for individual Member States. It did, however, examine and broadly agree with the Commission's basic strategy. The committee agreed that what is needed today is economic growth, and if this sounds platitudinous, I should recall that only a few years ago the concept of zero growth was in vogue. Indeed, I was horrified by the expression of anti-growth sentiments in this Parliament when I came here only two and a half years ago, but no doubts were expressed on this occasion about the prime need for growth, and I shall be interested to hear whether any appear in the debate today. The main qualification is, of course, that the growth shall be achieved by methods which do not fuel inflation, a stipulation that the Commission continues firmly to make.

Of course, the Commission is aware that its powers and its instruments are extremely limited, as Mr Santer will be saying. Incidentally, I hope that he will explain what he describes as the need for an overall binding concept in the Community, defining the aims of economic, monetary and social policy. I cannot quite see — I am asking this not in a critical spirit, but one of sheer intellectual curiosity — how a concept binds. The term seems to me to belong to dogmatic theology, rather than to democratic politics.

Mr Ortoli will no doubt remind us, as he has done before, that the major responsibility for achieving growth and combating unemployment lies with the Member States, not wholly, of course, but largely with the Member States. As he put it so well, it is a responsibility they themselves must exercise, but it is not one that they can exercise in isolation. There is need for

### Lord Ardwick

coordinated policies in the Community and indeed in the OECD, and so a need to follow in Europe the Community's guidelines. The growth target is, I am afraid, a low one. Mr Ortoli suggests that if the Commission strategy is followed, the growth rate will be improved by  $\frac{1}{2}$  to 1% and presumably several hundred thousand people, who would otherwise be out of work, will have jobs. Of course, not even this is certain. Gains in productivity and an increase in the number of people looking for jobs may leave the unemployment figures little improved, even though this extra growth on top of the natural kind of spontaneous growth is actually achieved.

Well now, what did the Commission want? Its main strategy has centred around the need for member nations of this Community and of the OECD with positive external trade balances and inflation under control to lead the way out of recession by expanding their own internal economies. They were to be, as the expression went — it is now getting rather discredited — the locomotive powers, but unfortunately the three locomotives — the United States, Japan and Germany — have not got up quite so much steam as we and they had hoped. However, new hopes now spring up as other countries by good management and good luck bring their inflation and their external balances under control. They will be able to risk some self-generated expansion, so we hope.

The Commission put this hope with a maximum of caution and, if I may say so, a minimum of stylistic felicity. I do not know how it reads in other languages, but in English it goes like this: 'As the adjustment processes gradually progress other Community countries will be able to use the room for manoeuvre becoming available to contribute to reinforcing business activity'. Indeed the political pressure inside every Member State to do precisely that will grow increasingly insistent.

As the Commission points out, the Council's decision in July to urge the fuller use of budgetary policy as an instrument of growth needs to be implemented more vigorously, because the new forecasts for next year are much gloomier than those put out in spring. In fact, the Commission is bold enough to propose that the time has come in some countries to stimulate personal consumption, until quite recently almost a kind of mortal sin. However, the time has come perhaps to stimulate personal consumption in view of the shortfall in demand. Promotion of investment, public and private, is, of course, essential, but that alone is not enough to do the trick; other encouragement is needed.

Of course, how to stimulate investment is the problem, at a time when many firms are operating well below capacity. There is always debate, when we talk in our committee about investment, on whether it is enough just to make more money available. Some

think so. Others claim that there is plenty of money about already, but nobody wants to invest it, perhaps because, as far as the private sector is concerned, there is no expectation that demand can be constantly maintained for a sufficiently long period. However, the Commission envisages tackling both sides of the question, that is, making money available at the same time as improving the investment climate.

The Committee on Economic and Monetary Affairs agreed wholeheartedly with the Commission as to the desirability of increasing investment, and I think that most, if not all, of the members would like to see both public and private investment increase. The economic strategy proposed by the Commission, if followed, should, of course, improve the investment climate. The committee supports the Commission's call for easier access to capital for small and medium-sized firms. This is mentioned in paragraph 10. This is a call which meets with increasing sympathy right across the Community.

Another side of this question of investment is referred to in paragraph 6 — the Commission's proposal for a new Community financing instrument for improving structures. This was proposed by the Commission in June this year, but I think not all the Member States were in favour. I think that Germany was notoriously sceptical about this. Some doubts were expressed in the committee as to the desirability of the new instrument. That is why the resolution merely takes note and does not welcome it, as it did originally in my draft resolution. However, there are amendments this morning which strengthen that particular clause and welcome the Commission's initiative and hope that the Council will look favourably upon it.

The Commission explained to us during the committee meeting that the instrument would involve the Commission raising loans on the international money market and putting such money to use, particularly in the energy sector, but also to some extent in other fields where structural change is particularly important. Personally, I am convinced of the desirability of this financing instrument and I hope it is fair to say that most of the members of the committee are not against it. The committee, however, felt it unwise to commit itself and Parliament to the approval of what could be a very important new instrument without first having had a thorough debate upon it.

You will note that in paragraph 11 reference is made to the Commission's current proposals for ensuring more satisfactory implementation of the Council's decision on convergence of policies. The Commission published a communication to the Council in October this year, which contained various practical proposals for getting closer coordination between Member States in the field of economic policy. I — and, indeed, the whole committee — was somewhat surprised to see from this document that the Commis-

## Lord Ardwick

sion found it necessary to call for better participation by Ministers during these Council meetings, more methodical preparation of these meetings and a more open discussion of substance, together with more realistic and lively consultation. This would suggest, if this is an accurate reflection of what goes on, that the coordination among Member States is not proceeding as smoothly as we should like it to proceed. One would be interested to hear from the Council what its views are on this criticism by the Commission, whether it thinks the Commission is justified and, if so, what steps it would take to improve matters, but, of course, the justification would have to be there.

Our resolution also mentions the disappointments that were felt about the Tripartite Conference, but I propose to leave this aspect almost entirely to Mr Santer. I would simply say myself that, if we are going to have these Tripartite Conferences, we must see that they get proper publicity in the press and on television; their real value must be to have an impact on the businessman and on the workers of Europe.

Although our debate today, Mr President, is of necessity a bread-and-butter one, I cannot let it pass without some reference to the remarkable lecture given by the President of the Commission in Florence looking to the future and to the eventual achievement of monetary union. It is a subject which, though a bit out of fashion, is of perpetual interest to the Committee on Economic and Monetary Affairs. No doubt we shall discuss his lecture. However, before we do so, it would be useful if, having expressed a sort of lofty, philosophic interest in monetary union, Mr Jenkins were to say something more about the practicalities of it, or perhaps, even better, if he could come and talk to members of the committee. His views are all the more interesting, inasmuch as we are moving towards a still larger Community with all the dangers of dilution. One can see that at this moment an act of faith is very necessary, but, of course, faith is not enough nor, perhaps, is immobilized agnosticism, if I can quote one of his phrases.

In Britain the newspapers have been contrasting Mr Jenkins' lecture with the forthright views of the British Prime Minister, who has been expressing British, and not merely British Socialist, suspicions, doubts, even hostility to federal solutions. Some people have been reminded of General de Gaulle, but I think this does justice neither to the General nor to Mr Callaghan himself. There is, however, a tendency among British commentators to point out that the differences have, at this moment, no practical consequence. The paragraph of Mr Jenkins' lecture on which they base this is the one in which he says there is room for tomorrow's act of better coordination and for today's discussion of a more ambitious plan for the day after tomorrow.

Mr Jenkins, using a colourful image, visualizes the approach to monetary union as that of an athlete

taking part in the long jump. He starts with a rapid succession of steps, then lengthens his stride and increases momentum and finally, but only then, makes his leap out — if I may use an old-fashioned term — of well-developed functionalism into a limited form of federalism. Mr Callaghan's metaphor is quite a different one. He said that it was not Britain's object — and these were very welcome words — to disparage the idea of building a union of a living Europe on the sad foundation of the European dead of two world wars. With hindsight, he said, we can see that perhaps the founding fathers were paying too much attention to the spire of the cathedral and too little to the foundations. Europe, he said, has never lacked for architects, but it may need more builders. Of course, the critical time will come when Mr Callaghan's master builders have finished their work on the infrastructure and when Mr Jenkin's athlete is about to take his leap. That is the point in time at which this Community will either have to move forward or not. I must say that Mr Jenkins' lecture has aroused great interest. I am afraid it has not yet had full intellectual justice done to it, but I am hoping it will be discussed, not only in our Community but also in this Parliament.

*(Applause)*

**President.** — The proceedings will now be suspended until 3 p.m.

The House will rise.

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

## IN THE CHAIR : MR COLOMBO

*President*

**President.** — The sitting is resumed.

✓ 5. *Question Time (continued)*

**President.** — The next item is the continuation of Question Time (Doc. 374/77).

We shall continue with questions addressed to the Commission. The representative of the Commission is requested to answer these questions and any supplementary questions.

I call Question No 1 by Mr Cousté :

Can the Commission give a progress report on the new proposal for a Fifth Directive and state whether it will be able to abide by its undertaking to submit it by the end of December ?

**Mr Davignon, Member of the Commission.** — *(F)* For several weeks now, I have been engaged in the preparation of the working document which we promised to submit on possible amendments to the Fifth Directive on company structures and on a great many matters relating to that directive, involving the extraor-

**Davignon**

dinarily complex problem of worker participation in the light of reactions to our green paper. As always happens when we do something to encourage discussion, the green paper elicited many contradictory reactions which we must take into account. I am therefore going to do everything necessary for the document we are now preparing to be submitted before the end of the year, to enable the discussion to continue. We may need a little more time, but I expect this document to be forwarded in January at the latest, after which the discussion can be resumed.

**Mr Cousté.** — (F) Mr President, I listened with close attention to the Commission's answer on the problems raised by the Fifth Directive I was pleased to hear Mr Davignon say that certain matters would have to be taken into account and a number of amendments perhaps made. I am glad that is so because we are dealing here with the complex and important problem of worker participation in company structures. I realize that opinions differ, but I should like to say to Mr Davignon that we in Parliament would prefer the deadline to be rather longer than the end of the year. I think it is preferable to wait a little instead of having to ask the Commission yet again to revise its green paper through the intermediary of our parliamentary committees. We are concerned above all with the quality of the document and I hope Mr Davignon will note that fact.

**Mr Adams.** — (D) Mr Davignon, are you aware that, since the law on worker participation was enacted in the Federal Republic, two companies have been trying to transfer their central administration and some of their staff to other Community countries so as to ensure that they employ fewer than 2 000 persons in Germany and thus escape the provisions of the law? Do you therefore realize that a Community solution to the problem of participation is urgently necessary?

**Mr Davignon.** — (F) I am indeed aware of this type of problem and that is precisely why we have been taking a little more time. The proposal put forward by my predecessor, Mr Gundelach, was to set up — despite the differences in motivation and legal bases between the Member States — a system that was sufficiently coherent and complementary to prevent the kind of situation you alluded to from occurring again. It matters little whether this is achieved through a system of *Mitbestimmung* (co-responsibility) on the German model or whether a different system with the same objectives is chosen. But we do consider it essential for the proposal we put forward this time to serve as the basis for the Community's future policy. The period of discussion is drawing to an end and, if intermediate phases are needed to enable our goal to be achieved, we must still always strive towards that goal, even though this may entail the coexistence of

parallel systems. We must, however, rule out any possibility of using a particular system to fall short of the minimum standards on which there is general agreement. That is our aim and we must try to move ahead as quickly as possible, but it is really very difficult because the instruments must be precise and founded on a secure legal basis.

**Lord Bruce of Donington.** — When drawing up the proposals for the Fifth Directive, will the Commissioner bear in mind the very widely — although not universally — held view that those who participate in the management of an undertaking should themselves be members of that undertaking?

**Mr Davignon.** — The answer is in the affirmative.

**Mr Müller-Hermann.** — (D) Mr Davignon, I have two questions. I think you may already have answered the first: can we assume that the opinion drawn up by the European Parliament on the Fifth Directive will be taken into account in your work?

My second question is this: are you proposing to introduce uniform provisions for all the Community Member States or, as you just said, to fix a generally valid lower limit for participation? What then would be the position regarding Member States such as the Federal Republic which have already enacted far-reaching legislation on participation? Will the provisions in such countries then have to be relaxed or may they retain their existing legislation?

**Mr Davignon.** — (F) If I may answer the second part of the question first, the Commission's position is of course one of social progress, and we are obviously not going to introduce legislation enabling a minimum to be fixed and no further action taken thereafter. That is not the purpose of our proposals or the aim towards which we are working. But, in a situation as complicated as this, it is necessary to start out from common ground, because the legal systems and the habits and concerns of the interested circles differ so widely: we must therefore have a common basis defined in terms of objectives. The instruments must be compatible and tend towards a situation in which these objectives will be met in an identical manner everywhere. Obviously, individual States must not relax their provisions: the others must attain the objectives — I shall not use the term 'instruments'.

As to the other point, we shall, in our working document, make a very careful analysis of the Parliament's views, placing particular emphasis on the points which tend towards our own aims and we shall make appropriate observations should it be impossible to endorse some of the wishes of this Parliament. I think our discussions with the Parliament's committee responsible for this matter are important in this connection. Through that dialogue we hope to arrive at a common and coherent position.

**Lady Fisher of Rednal.** — Would the Commission make quite sure that in those industries that are predominantly female-orientated — in other words, where the majority of the workers are women — he will do all that he can to encourage worker participation which includes women on the boards?

**Mr Davignon.** — The answer is so obviously yes, that I do not know how I can make it more pertinent than by just saying I agree.

**President.** — I call Question No 2 by Lord Bessborough:

✓ Will the Commission state what steps it is taking to update the Multiannual Research and Development Programme for the Community's Data Processing and Electronic Component Industries, contained in its communication COM (76) 524 final, and requested by Parliament in its amended motion for a resolution on the report of the Committee on Economic and Monetary Affairs, Doc. 235/77<sup>1</sup>?

**Mr Davignon, Member of the Commission.** — (F) In the light of the situation facing industry in general in the Community, we attach particular importance to the growth industries which alone are able to improve economic growth in the Community. It is not enough to take action to assist industries facing real difficulties; those sectors of industry which have a promising future must also be enabled to achieve an optimum level of performance. Against this background, we reconsidered the data-processing programme and, in the light of the new situation, we looked at the possibility of clarifying a number of points in the general context of the multi-annual programme. In doing so, we have followed what has now become a tradition for the Commission in its work by engaging in close cooperation with representatives of industry to ensure that our action can help to solve their problems. That is the aim of our work.

**Lord Bessborough.** — May I be assured — I think he has certainly gone some way to assuring me — that the Commissioner is reconsulting industry thoroughly, and recasting the Commission proposals accordingly. I am sure the Commissioner is aware that a large group of science-based industries in the Community are dependent for their future markets on the use of this kind of advanced electronic technology. Would not the Commissioner agree that, in the past, both Commission and Parliament have been discussing perhaps the wrong proposals in this sector, and is it not time for us to look at this industrial sector more realistically and urgently?

**Mr Davignon.** — (F) I would repeat what I said just now. We shall make no proposals without first discussing them in detail with the industrial sector concerned. The first thing we would ask industry is to define its needs to us, stressing at the same time that it would be wrong to believe that we shall simply do at the Community level the things which industry does not wish to do itself because it considers them of secondary importance. That is not our policy in the Community; we try on the contrary to get to the core of the problems. Industry must also make an effort here to adapt to this new approach. That is why we are going to make changes to the procedures followed up to now. I do not think that my predecessors were lacking in realism but the economic and industrial situation has changed. The opinions of all concerned have changed and in that situation it is logical for us to change our views too.

✓ **President.** — I call Question No 3 by Mr de Clercq:

The provisions of the EEC Treaty relating to the liberalization of public contracts are hardly ever applied by the Member States. Can the Commission say how it intends to combat such anti-Community practices especially as the Community contributes to the capital needed for the realization of public works?

**Mr Davignon, Member of the Commission.** — (F) I shall send the Honourable Member two statistical tables relating to opinions delivered on public calls for tender so as to show that the directives are now beginning to be applied. The Commission does not consider the situation satisfactory as yet but there are first steps towards application. In our future proposals in the more general context of economic policy and of the efforts made by us to achieve economic convergence and create a domestic market which sustains industrial and economic development, we shall certainly be making new departures. As I said, I shall be forwarding statistical details and, by next year, you will see how this problem of public contracts fits into the overall set of measures taken by us to strengthen the internal market and economic development.

**Mr de Clercq.** — (NL) From the official angle, everything seems more or less in order. A number of questions have already been put on this subject. But the reality is rather different, and the provisions on public works contracts in the various Member States are generally being disregarded because the systems for the award of contracts differ. I therefore want to put the following question: would it not be desirable to introduce into the specifications for supply and works contracts issued by public authorities, an article providing for a period of appeal enabling an appeal to be lodged against a wrong decision before the contract is finally awarded to a particular tenderer?

(<sup>1</sup>) OJ C 241 10. 10. 1977 p. 41

**Mr Davignon.** — (F) I am well aware of the implications of Mr de Clercq's question: he would like steps to be taken to ensure that, where they are not consulted on a public call for tender, individual companies are not simply faced with a *fait accompli* and can then only refer to a legal situation guaranteed by the Commission. How can we introduce a system of time limits? I recognize the problem and wish to give it thought with my staff to see how practical action might be taken. There is no difficulty of principle. There are always time limits and a further period should be allowed between the time at which the contract is awarded and the time when work begins, without this affecting a number of necessary and useful operations which have to be initiated. How can this problem be solved? I want to give thought to the matter because I find the suggestion valuable in principle. I want to see how we can take effective practical action. I shall contact the author of the question, and if he is not satisfied with my answer we could give the matter further consideration here or in committee.

**Lord Bruce of Donington.** — Is the Commissioner satisfied that his own machinery for monitoring the carrying out of these measures is satisfactory? Many of us have the impression, at any rate in some Member States, that the principles are not universally observed until after the event.

**Mr Davignon.** — (F) It is quite impossible for me to give an assurance that in matters as complicated as this everything is being done exactly as we should hope. I am nevertheless impressed to note that, in 1975 for instance, there were 2 188 notices of public calls for tender open to any supplier published in the Official Journal. What we must now do is see to it that closer attention is given to this whole problem of public contracts which assumes much greater importance in a situation of economic crisis than in a buoyant economy. I am now doing this sector by sector, I have taken action in one specific sector, that of major infrastructural projects, where I have been in touch with the various contractors to see whether they were adequately informed of contracts in other countries — I did this not just because the contractors complain of not being fully consulted. We wanted to see whether there were specific instances of work being done outside the provisions of the directive. Our action is continuing and if it transpires that the system of evaluation is inadequate we shall take steps to improve it, in particular by seeking external assistance. I shall be able to reply on this point at a later stage. We are making a practical study of one particular sector in 1976.

**President.** — Since its author is absent, Question No. 4 by Mrs Ewing will receive a written reply.

I call Question No 5 by Mr Cointat, for whom Mr Inchauspé is deputizing:

In the light of its proposals for a gradual reduction in compensatory amounts in order to regulate intra-Community agricultural trade, how does the Commission view the need to devalue the Green Franc, and to what level should it be devalued?

**Mr Gundelach, Vice-President of the Commission.** — The revised proposal, which the Commission has made for the progressive demobilization of green currencies, establishes a minimum effort to be made each year, in fact one-seventh of the existing monetary compensatory amounts. But the proposal also foresees a bigger effort, in principle to be decided in the context of the yearly price review, either on the proposal of the Commission itself or upon request from the government in question. As far as the French franc is concerned, I can, therefore, only refer to the figure which results from the proposal we have been making. If the French Government has a specific request to make at the time, it will naturally be considered, preferably in the context of the price review, and it would be inappropriate to give an exact figure for the degree of devaluation of the French franc outside the context of the discussion of the common prices.

**Mr Inchauspé.** — (F) In the context of the agricultural price proposals for the 1978/79 marketing year, does the Commission intend to propose a substantial reduction in all the current compensatory amounts, thus enabling the income of a great many farmers to be raised while at the same time holding down inflation in the countries concerned?

**Mr Gundelach.** — As I indicated, the Commission has indeed made a proposal for the abolition over a period of seven years of the bulk of MCA's which exist at the moment and which are considerable. I will illustrate that by saying that the difference between prices expressed in German marks and Italian lire is about 40%. That is the reason why a certain period of time is necessary to do away with this very considerable amount of monetary compensatory amounts. We have established in this proposal that a minimum of one-seventh should be dealt with each year, but we are not establishing that as a maximum level. More than that can be done, but just how much should be decided in the light of the discussions on the yearly price increases in units of account. The actual price increases in national currencies are determined by the two factors: increases in units of account and increases in national currencies. As far as the French franc is concerned, there is quite obviously room for a certain devaluation of the green franc, even beyond the one-seventh which I have indicated. That is quite clear. I would not like to indicate an exact figure outside the discussion of the price review but there is room for manoeuvre.

**President.** — Since its author is absent, Question No 6 by Mr Herbert will receive a written reply.

I call Question No 7 by Lord Bruce of Donington :

Has the attention of the Commission been drawn to a report in the Dutch newspaper *De Volksrant* of 30 September 1977 that large quantities of butter, sold from EEC countries at very low prices to the USSR, have re-entered the common market through other Eastern bloc countries, and whether it is in a position to confirm the accuracy of the report?

**Mr Gundelach, Vice-president of the Commission.** — Mr President, the Commission is aware of the article in the *Volksrant* of 13 September 1977. As a matter of fact, the transaction referred to had been known to us quite some time before the appearance of that article. Consequently, we have started, and are continuing, an examination in depth as to what has happened. I cannot at this stage, therefore, confirm whether or not that story is true. There is a similar transaction taking place this year, but what I can confirm is that we have found that, some time ago, certain quantities of butter, having been exported from the Community with export refunds, found their way back into the Community and, via Rotterdam, ended up in Italy, obviously without having paid the levy, which is a patent fraud. Hence the need for an examination in depth. Unfortunately, we have been somewhat hampered in the conclusion of that examination, due to lack of cooperation from the Italian authorities. We may have to take sharper action in order to obtain that collaboration. It is necessary, as you will appreciate, to get to the bottom of this business in order to strengthen our defences against frauds in the transactions of agricultural products which, on the one hand, benefit from export refunds, but also are subject to import levies when they enter our markets.

**Lord Bruce of Donington.** — Will the Commissioner not agree that illegal transactions of this kind are the direct result of the ridiculous system of buying for intervention, to which he himself has referred many, many times? In this particular instance, considerable quantities of butter were sold to the Eastern States at prices a good deal below those which are currently in force in the Community, the Community thereby again incurring a loss. This butter finds its way, at a lower price even than that, back into Italy, I believe, and it really is a monstrous reflection on the whole policy of buying senselessly and in unlimited quantities for intervention and not for consumption. Will the Commissioner give an undertaking that as soon as he obtains the full details, which I am quite sure he will obtain, of this and similar transactions, he sees that full particulars are laid before the Control Sub-committee of the Budgets Committee of Parlia-

ment in order that a further and fuller investigation may be held into this whole question with a view to a further report being presented to Parliament?

**Mr Gundelach.** — I shall be most happy to present to the Control Sub-committee of Parliament the results of the examinations which I had undertaken, as a matter of fact, many months before this article appeared in the Dutch paper.

Secondly, as the honourable Member is perfectly well aware and indicated himself, I am not in favour of the system under which we produce agricultural products, not for the market, but for permanent intervention.

Thirdly, there is always a risk when you have a customs tariff, of course. When you have a combination of a customs tariff, and export restitutions, the risk of course becomes bigger, and when, as happened two or three years ago, you export butter, not with normal restitutions but with very much increased special restitutions, to certain parts of the world, the risk obviously becomes even bigger, and without having the proof I believe that this transaction is related to that special export with very high restitutions to Soviet Russia some years ago.

Fourthly, the honourable Member will be aware that the export restitutions we are now paying for exports of butter, which are necessary as long as we have these surpluses, are not special restitutions but normal restitutions, because the kind of danger we ran two or three years ago is not one I want to run once again.

**Mr Seefeld.** — (D) Mr Gundelach, do you share my view that the citizens of the European Community cannot understand how transactions of this kind can occur? In the period leading up to direct elections to the European Parliament that makes it very difficult to put forward arguments in favour of the Community. Are you prepared to give an emphatic assurance to this Parliament today that you will do everything possible to put an end to such occurrences once and for all?

**Mr Gundelach.** — Yes, the Commission will take every necessary step to prevent this kind of thing from happening. I repeat that our action started before this article appeared in the press, it started many months before that, and we have every intention of getting to the bottom of the matter. You may rest assured of that.

**Lord Bethell.** — Is the Commissioner able to tell us at this stage the price at which the butter in question was sold by the Community to an East European country, and also can he tell us the price at which the butter was re-purchased by a Community body?

**Mr Gundelach.** — No, that is exactly the information I cannot give you before I have got the collabora-



## Gundelach

tion of the Member States who have taken the butter back again. But as far as the selling price to an East European country in 1973-74 is concerned, this was considerably below the normal restitution paid by the Community for butter exports. I want to repeat what I said previously to Lord Bruce, that we are not paying that kind of restitution any more, nor do we intend to do so in the future.

**President.** — Question No. 8 by Mr Scott-Hopkins will not be dealt with but the author will be allowed to speak immediately after the rapporteur in the debate on the report on the same subject, which is on the agenda for the part-session.

I call both Question No. 9 by Mr Seefeld :

Is it true that, as a result of an article in the October 1977 issue of the German-language *EG-Magazin* criticizing the French daily newspaper *Le Monde*, action is to be taken by the Commission against the editor responsible, and is it true that, as reported in *Die Welt* on 20 October 1977, a Member of the Commission, alleged to be a shareholder of *Le Monde* himself, has pressed for the dismissal of the editor concerned ?

and Question No. 29 by Mr Guerlin :

What precautions has the Commission taken to prevent further attacks on the French newspaper, noted for its reliability, in an official publication of one of the European Community's information offices? Has any Commissioner who happens to be a national of the Member State in which the unjustified attack was published approached European Parliamentarians or the Commission with a view to preventing the latter from repudiating the article in question and thus casting grave suspicion on one of his colleagues ?

which relate to the same subject and can be considered jointly.

**Mr Jenkins, President of the Commission.** — Mr President, I would like to take this opportunity of replying not only to the specific questions put to me by Mr Seefeld and Mr Guerlin, but also to deal with some more general issues which arise from the publication of the article '*Le Monde ist nicht die Welt*' in the magazine of the Commission's office in Bonn.

I do not need to repeat the statement made on the Commission's behalf by its spokesman on 17 October, which, I believe, was right and which commands my full support. The real issue involved here is whether or not the article properly fitted the general and appropriate purposes of a Community magazine. The magazines are means of giving information about the Community, emphasizing its objectives and policies, and in particular seeking to promote a favourable climate of opinion from the Community point of view. It is our view that this necessarily implies avoiding the publication of views which, in the way they criticize the motives or behaviour of individuals or institutions, undermine the central aim of improving mutual understanding.

The second main issue that arises is that where the content of any article appears to raise doubts about

whether the objectives of the magazine are being met, we have laid down rules and procedures for consultation and clearance. These rules were not followed in this case. The Director-General for Information has carried out a full investigation of the situation in which the article was published, and he has discussed the matter with those concerned. I do not believe that, following these actions, disciplinary measures are necessary or appropriate. I would also like to state clearly that there is no truth in the allegations made in regard to the role of individual Commissioners in this matter.

The Commission will continue its policy of encouraging the expression of individual views about Community issues, but it will do so subject to the test that they have to promote, rather than undermine, mutual understanding. The fact that I am here answering these two questions, one from one point of view from a German Member, and the other from the opposite point of view from a French Member, expressing quite contradictory points of view, indicates that the test I have outlined was not met in this case.

This incident and others should remind us of at least one thing when we are faced, as we have been in the Community recently, by violent attempts to call into question the whole basis of European society. We must reinforce our determination to maintain our democratic values and our solidarity. The press has a particularly important responsibility in this connection to support democratic action and control, and this involves no contradiction with its task of objective and constructive criticism. The point needs to be underlined, especially in view of recent comments and events.

**Mr Seefeld.** — (D) Mr President of the Commission, I am grateful to you for making it clear to us that disciplinary measures are not necessary. May I also ask you to confirm that you will still be willing to accept critical journalism in future, and that critical journalists will always be given space in the EC magazines.

I would also ask you to note that the German EC magazine is particularly highly respected in the Federal Republic for its frank approach, and I can tell you now that a member of the German Government has said to me that this magazine is practically the only journal distributed free of charge which does not go straight into the waste-paper basket. That serves to show the esteem in which the work of the German EC magazine is held in the Federal Republic, a fact which, as I suppose you already know, is reflected in the extremely high number of subscribers in comparison with the EC magazine in other languages.

**Mr Jenkins.** — I am grateful to the honourable Member for the tone of his supplementary question. I can say that in general the tone and content of the EC

## Seefeld

magazine in Germany is valued highly by us: I think it is of interest and is in general of high quality. He underlined, however, one aspect of the problem we have to deal with here by saying it is a free magazine. He added — which is important — that it is not, like so many free magazines, thrown in the waste-paper basket. We want to preserve the liveliness which preserves it from the waste-paper basket. But equally, a free magazine means that, of course, it is subsidized by public funds, and that, in my view, means that it is not a suitable vehicle for a very strong attack upon the motives of an institution or an individual, particularly in another Member State. I think the publication of this article was an error of judgement, but I do not think that it invalidates the general value of the magazine, or our confidence — I am sure that he will take note of the difficulties which have arisen — in the ability of the editor to produce a lively and worthwhile magazine with plenty of room for controversy, but controversy designed to promote mutual understanding and not mutual misunderstanding and mutual conflict between two major Member States.

*(Cries of 'Hear, hear!')*

**Mr Guerlin.** — *(F)* Mr President, may I also thank Mr Jenkins for his comments which completely satisfy us.

May I just draw your attention to the reasons for putting our question. While obviously respecting the freedom of the press, we wanted to express our surprise at the violent attacks on the *Le Monde* newspaper in a Commission publication. As you said, Mr President of the Commission, it is not the role of a publication of this kind to sow discord between the members of the Community. As Mr Seefeld has pointed out, *EG Magazin* is held in high esteem in Germany ...

**President.** — Mr Guerlin, you are supposed to be putting a supplementary question and not making further comments.

**Mr Guerlin.** — *(F)* ... But our colleague, Mr Seefeld, did make comments. He explained that *EG Magazin* was held in high esteem in Germany; allow me to say, Mr President, that *Le Monde* is held in high esteem in France — and not merely in France. I want to say this because I am French, and therefore have a direct interest in this matter. If Mr Seefeld had not put his question, I should not have put mine. I wanted to say that we cannot under any circumstances accept such violent attacks on a respected and objective newspaper which holds its columns open to the expression of all opinions.

We hope that problems of this kind will not recur because they are regrettable in general, and also detrimental to the cause to which we subscribe. We must mobilize all our forces in the fight against terrorism — and we understand the special sensitivity of our German colleagues on this point — but we hope that these methods will not be used again.

**Mr Jenkins.** — The honourable Member says that the article astonished him, and to be honest it astonished me a little; so we are agreed to that extent. But I have made it clear that I do not think that disciplinary action arises, though I think some lessons ought to be learned for the future. I wish also to make it clear that I am not against controversy, but I would be rather more in favour of controversy in, shall we say, one of our communications published in Germany, if it were attacked in Germany and supported in France, than if it produces the reaction which it has done, because I do not think that is quite the right reaction for a Community magazine. So I think that, without being heavy-handed in the future and suppressing the liveliness of this extremely worthwhile publication, everybody ought to take note of what has happened and see it is not repeated in the future.

**Mr Deschamps.** — *(F)* Mr President, your remark to our colleague was particularly pertinent; may I now ask the Commission whether it considers that, in the context of the international press in general and the European press in particular, *Le Monde* is a respectable newspaper which deserves consideration.

*(Laughter)*

**Mr Jenkins.** — If I were to draw up a list of newspapers in all Community countries which I did not consider wholly respectable, I do not know which newspapers would or would not appear on that list. But what I am perfectly sure of is that it is not the duty of a Community magazine to announce that a particular newspaper in another country is, in its view, not a respectable newspaper.

*(Applause)*

**President.** — Since its author is absent, Question No 10 by Mr Cifarelli will receive a written reply.

I call Question No. 11 by Mr Damseaux:

The European Social Fund is at present financing a private scheme whose object is to aid unemployed managerial staff and it appears that the scheme, which at present involves 20 unemployed managerial staff in eastern France, could be extended and implemented throughout the Community. Could the Commission state the assessment criteria for the pilot scheme?

**Mr Vredeling, Vice-President of the Commission.** — (NL) In judging the success and expediency of a pilot project subsidized under the Social Fund, the Commission uses two main criteria. Firstly we determine the extent to which persons who have received vocational training under such a project then find suitable employment. That is one main criterion. We then look into the extent to which the new method applied in such a pilot study is taken over by other professional training centres in the Community. That is the second main criterion.

**Mr Damseaux.** — Does the Commission intend to increase the number and scale of these experiments and if so, what procedure will it follow to achieve that aim? Is the Commission working for this purpose in cooperation with professional organizations representative of managerial staff? I should particularly like to know the names of the organizations contacted in the different countries.

**Mr Vredeling.** — (NL) In answer to the first question, the Commission decides, in the light of the results of pilot projects of this kind, whether to continue similar experiments on a larger scale or, if this is appropriate, to move on from the stage of pilot studies or experiments, to inclusion of the project in the general policy of the Social Fund. The decision depends on the assessment of the pilot project.

My answer to the second question is this: every project, including these pilot projects, is subject to the normal procedure of the Social Fund Committee on which employers and workers from all our Member States are represented. It would take too much time to list all those organizations here — there are a great many of them and their names are always published in the Official Journal of the Communities.

**Mr Albers.** — (NL) Does it often happen that subsidies are given for occupational training in occupations where it subsequently transpires that no jobs are available?

**Mr Vredeling.** — (NL) I do not entirely understand that question. If the Member wishes to know whether the Commission draws the necessary conclusions when a pilot project suggests that further action on a particular line is not desirable, the answer is yes. I say that without any suggestion that this may be the case with this particular project.

**President.** — The continuation of Question Time is closed.

#### 6. Date of direct elections to the European Parliament (Vote)

**President.** — The next item is a vote on the motion for a resolution at the end of the debate.

We shall now consider the motion for a resolution contained in the report by Mr Berkhouwer (Doc. 386/77).

I put the motion for a resolution to the vote.

The resolution is adopted.

#### 7. Terrorism in the Community (Vote)

**President.** — We shall now consider the motion for a resolution contained in the report by Mr Fletcher-Cooke (Doc. 372/77).

On the first indent of the preamble, Mr Lagorce has tabled Amendment No 1 on behalf of the Socialist Group. The indent is to read as follows:

... noting with deep concern the increase in acts of terrorism committed in several Member States of the European Community, which may begin or be continued outside the Community.

I call Mr Klepsch for a procedural motion.

**Mr Klepsch.** — (D) Mr President, I just wanted to remind you that the rapporteur, Mr Fletcher-Cooke, stated yesterday evening that he could not be here today and said that he approved both amendments.

**President.** — I put Amendment No 1 to the vote. The amendment is adopted.

I put the rest of the preamble to the vote.

The preamble is adopted.

On paragraph 1 I have Amendment No 2 tabled by Mr Durieux and worded as follows:

1. Condemns unconditionally all acts of terrorism and the authorities of countries which aid and abet them, either by making it easier for them to be committed by directly participating in them, in particular by receiving hostages on their territory in defiance of all the precepts of international law and of respect for human rights.

I put Amendment No 2 to the vote.

The amendment is adopted.

I put paragraphs 2 to 4 to the vote.

They are adopted.

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

The resolution is adopted.

#### 8. Granting of special rights to Community citizens

**President.** — The next item is the motion for a resolution contained in the report by Mr Scelba (Doc. 346/77).

I put to the vote the preamble and paragraphs 1 and 2.

**President**

The preamble and paragraphs 1 and 2 are adopted. I put to the vote subparagraphs (a) to (h) of paragraph 3.

They are adopted.

On paragraph 3, subparagraph (i) I have Amendment No 1 tabled by Mr Bangemann on behalf of the Liberal and Democratic Group:

This subparagraph should read as follows:

- (i) The right to belong to a trade union of one's choice.

What is the view of Mr Scelba?

**Mr Scelba, rapporteur.** — (I) Mr President, the Italian text of Mr Bangemann's amendment is difficult to understand. The author intended to make a more interesting point, namely that each worker should be free to choose the union to which he wishes to belong. I therefore propose that the following words be added to the Italian text of paragraph (i): '... liberamente scelto' (freely chosen).

**President.** — I call Mr Durieux, deputizing for Mr Bangemann.

**Mr Durieux.** — (F) I gladly accept Mr Scelba's proposal. The wording proposed by him is certainly much clearer and does not change the substance of the amendment.

**President.** — I call Mr Patijn.

**Mr Patijn.** — (NL) Mr President, I think it better for us to avoid tabling all kinds of amendments at the last minute, otherwise I too could find a better wording for the Bangemann amendment; I think we should do better to proceed to the vote normally. My group will vote against this amendment because the original text in the report is clearer and better. The point at issue is the right to belong to a union — and we support that right.

**President.** — I call Lord Castle.

**Lord Castle.** — Mr President, I am afraid you might unwittingly be setting a very dangerous precedent. May I ask you to reconsider the matter? You are asking the Assembly, without discussion, to accept an amendment to an amendment. It is a deuce of a job in any case to put in a written amendment in the last few hours and, if you are now going to say there can be no speeches on an entirely different set of words just because they are acceptable to the mover of the original resolution, I am afraid we are heading for trouble. All I can say is that the new set of words suggested is utterly unacceptable to British trade unionists in this Assembly. The previous text moved by Mr Bangemann was not acceptable, and now it becomes even more unacceptable in view of the explanation which has been given. Can I ask you to reconsider?

**President.** — I should point out, Lord Castle, that it is not a new amendment which is being considered

here but a slight change in the wording, which in no way alters the substance of the actual amendment.

I call Mr Klepsch for a procedural motion.

**Mr Klepsch.** — (D) Mr President, I support your view. The two previous speakers have made comments on the substance of this matter which I consider inadmissible. Both Mr Patijn and Lord Castle have explained why they oppose the amendment. The point is not a lack of clarity in the text. The original German text is perfectly clear. Mr Scelba simply pointed out that the Italian translation may give rise to misunderstanding and therefore explained how the original text is to be interpreted. That is all. He did not submit an amendment to the amendment.

**President.** — I put to the vote the wording of the amendment as proposed by Mr Scelba.

The amendment is adopted.

On paragraph 3, subparagraph (j) I have Amendment No 5 tabled by Mr Pisoni:

The subparagraph to read as follows:

- (j) The right of residence for all Community citizens;

What is the view of Mr Scelba?

**Mr Scelba, rapporteur.** — (I) This morning in my speech I indicated my reasons for supporting the amendment by Mr Pisoni. Because my text might have given the impression of a Community which tended to protect the rich, I said that I favoured the Pisoni amendment which dispelled all possible ambiguity.

**President.** — I put Amendment No. 5 by Mr Pisoni to the vote,

The amendment is adopted.

I put paragraph 3, subparagraph (k) to the vote.

Subparagraph (k) is adopted.

On paragraph 3, subparagraph (1) I have Amendment No. 2 tabled by Mr Patijn to replace the words 'private schools' with 'educational establishments'.

What is the view of Mr Scelba?

**Mr Scelba, rapporteur.** — (I) The observation made on the Bangemann amendment applies in this case too: the French translation of the amendment tabled by Mr Patijn reads 'établissements d'enseignement' while the Italian translation refers to 'istituti di formazione'. Those are two completely different concepts. I cannot accept the Italian wording which in no way reflects the thinking of the Political Affairs Committee. But I could accept the amendment — provided that Mr Patijn agrees — if the word 'formazione' were replaced by 'insegnamento', which corresponds to the French version and is a better reflection of the views of the Political Affairs Committee.

**President.** — This matter is governed by the second subparagraph of Rule 29 (2) of the Rules of Procedure. We shall now vote on the wording proposed by Mr Scelba.

I call Mr Scelba.

**Mr Scelba, rapporteur.** — (I) Mr President, in general when we are dealing with resolutions the authentic version is considered to be that in the language of the rapporteur; I therefore ask for the Italian text of the amendment to read 'istituti di insegnamento' in line with the French text which refers to 'établissements d'enseignement.'

**President.** — Mr Patijn signifies his agreement. I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, I wish to give an explanation of our vote. My group approves the amendment as discussed on the assumption that private schools are included as well.

**President.** — I put Amendment No. 2, as modified following the linguistic agreement between Mr Scelba and Mr Patijn, to the vote.

Amendment No. 2 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

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

The resolution as a whole is adopted.

#### 9. Economic situation in the Community (Resumption)

**President.** — The next item is the continuation of the general debate on economic problems (Doc. 377/77, Doc. 368/77 and Doc. 345/77).

I call Mr Durieux to speak on behalf of the Liberal and Democratic Group.

**Mr Durieux.** — (F) This is a particularly important and interesting subject. As members of Parliament who will be standing for election by direct suffrage on a date which, as we saw yesterday, remains to be fixed, we find the situation in the Community serious in the extreme. That fact should also be given thought by the representatives of the Commission who do not themselves have to stand for election and face the resulting daily pressures. They are therefore able to have a long-term vision of European problems and can propose adequate measures.

Six million unemployed in the Community! That is a terrible failure. The crisis in industry is serious and the European steel sector is practically bankrupt. Surely this is a symbolic development when we remember that the European Community began with coal and steel. Up to now the Commission has given

few signs of the long-term vision which we were legitimately entitled to expect of it. It has confined itself to a policy of credits, aid and subsidies which create inflation and increase unemployment: like trying to put a fire out with flame-throwers. The Liberal Group deplores this fact in its first amendment to the motion for a resolution contained in the report by Lord Ardwick.

Of course there can be no miracle solution enabling both unemployment and inflation to be defeated. But we must fight against the illusion that each country can pull through on its own, or almost on its own, following the old methods of independent policy. Progress towards economic and monetary union must be seen as the essential means of fighting the economic, financial and social crisis now besetting us.

To beat inflation and the danger of recession created by it, it seems essential for the Community to move towards economic and monetary union. As we have indicated in our second amendment to Lord Ardwick's resolution we welcome the announcement of proposals adopted by the Commission for the forthcoming European Council and we should like more detailed information on the content of those proposals.

We want to see immediate measures for further rationalization of industry and trade, the introduction of a new period of price stability representing a break with the inflationary disorder of recent years and a more effective struggle against the scourge of unemployment, because the day is not far off when our two million young unemployed will turn to active revolt. We also want to see a lessening of the most flagrant economic disparities between the regions. Once these aims have been achieved — and I well know it will not be easy to do so — we shall be able to envisage a new stage with more ambitious objectives.

The Commission could also facilitate the exchange of experience and help to improve the effectiveness of labour services, particularly by providing better training for all those responsible for assisting in the creation of jobs. It should also encourage the training of experts able to conduct local studies of the operation of the economic circuits, shortcomings in them and ways of making improvements together with measures to defeat pockets of unemployment.

I can assure you that many elected local representatives with responsibilities in the employment sector would sometimes be very happy to fall back on the assistance of experts with adequate training and effective facilities at their disposal.

While it is true that unemployed people in the Community still have a higher purchasing power than workers in Eastern Europe, we must not underestimate the stultifying effect of unemployment and the moral impoverishment of those who are hit by it. The present breakdown of the available statistics should

## Durieux

enable us to direct our action much more accurately towards the sectors and categories of workers who are the most threatened. It will for example be seen that the number of unemployed women is continuing to rise more steeply than the corresponding number of men. Women represent 43 % of all the unemployed in the Community as a whole and more than 50 % in the Federal Republic, France and Belgium.

We also know that there is an ever-increasing number of young unemployed. This situation is becoming disturbing: there are over 2 million unemployed below the age of 25 in the Europe of the Nine! While the overall number of unemployed has doubled since 1974, the number of young unemployed has more than tripled.

Through such a statistical breakdown, we should be able to bring these categories of unemployed persons to the points at which residual possibilities of employment exist. These measures should be backed by improved information and occupational training facilities, including, in particular, basic training to facilitate the reconversion of workers.

Finally, we must upgrade manual work. It is time to recognize that we have lived for too long above our means; let us now adapt to our new dimension. From the moral angle we also urgently need statistics on the pretended unemployed who are certainly less numerous than may be supposed in some quarters but nevertheless cast a harmful shadow over this problem and encourage certain observers to minimize its importance.

In presenting this list of practical remedies, we are afraid to hear that they do not fall within the Commission's terms of reference. In that case, we must hear alternative proposals so that we can put them to the public and give them the backing of our authority as elected representatives. Meanwhile I think we must set to work on concrete cases and give preference to the kind of practical measures we are proposing rather than to the constant recourse to the publication and credits which have so far proved powerless to create new jobs. We liberals consider that the small and medium-sized undertakings have a key role to play in this sector. Firstly, because these enterprises have thrown down solid roots at their places of work while the big companies are often tempted by mobility in the management of their branches which is unfortunately not accompanied by a similar mobility of their workforces. We realize that small and medium-sized undertakings are a pillar of the economy in the democratic, industrialized countries as regards both the capacity for production and the level of employment. They guarantee the plural nature and diversity of the economy and therefore make for a lively market. They must therefore be helped to overcome the difficulties of self-financing, since the concentration of our banking system gives priority to the big multinational industrial complexes. In a third amendment to Lord Ardwick's report, we are therefore calling for the urgent implementation of a coherent programme in their favour.

Mr President, I have outlined the aspects of this serious problem which we, like each one of you, consider to be of central importance. May I stress in conclusion the great interest which the Liberal and Democratic Group has in hearing the answer of the Commission's representative.

Mr Santer. — (F) Mr President, ladies and gentlemen, there is little need for me to remind you of the great interest shown by this Parliament in the preparation and outcome of the tripartite conference held last year with a view to defining and above all implementing a genuine Community strategy of full employment and stability. We know today that last year's hopes were not realized. No one has any illusions on that score. The Community has failed to achieve the targets set eighteen months ago. Of course progress has been made, but the results are on a much lower level than we had hoped. The fall in the rate of inflation has been only moderate and the differences between rates in the Member States remain substantial. The problem of unemployment still remains and it is shaking the confidence of millions of workers in this Community.

This situation has constantly given concern to our Parliament throughout last year and more particularly on the eve of the new tripartite conference in June 1977. On 13 June last we held a wide-ranging debate on this matter here. While welcoming the continuation of the dialogue at Community level between the social partners, we noted that tripartite consultations had up to now led to little more than a certain verbal consensus between the interested parties without attaining the targets which had been set, particularly for the reduction of unemployment. We stressed that a great many socio-economic problems had been aggravated by the world economic crisis and that, given the interdependence of the Member States economies, only a Community approach could bring any chance of a lasting solution; we therefore expressed the hope that all the parties involved would recognize the need to do everything possible from now on to make Community coordination more binding, thus leading up to the implementation of a Community employment policy in the near future. Those, Mr President, were the main lines of the resolution unanimously adopted by our Parliament. We also expressed the view that the present unsatisfactory or even critical economic situation in a number of Community countries was attributable not only to the constant overburdening of the national product, the anarchical evolution of world monetary policy, the international confrontation between the industrialized countries and the producers of primary commodities seeking a redistribution of resources and the sharp and continuing rise in the price of oil, but also to the lack of a political determination on the part of the Council to achieve an economic and monetary union for the Nine in which the responsibilities of the guiding bodies would be fixed in such a way as to enable the essential decisions of economic and social policy to be taken at Community level.

**President**

We stressed once again that neither unemployment nor inflation were inescapable phenomena and that their causes should therefore be attacked both at Community level and in the context of flexible but coordinated national programmes; at the same time new Community actions should be initiated on the basis of Article 235 of the Treaty.

Meanwhile we have seen how the first constructive efforts perceptible at the 1976 tripartite conference came to nothing at the 1977 conference.

Of course if we are generous we might justify this failure by saying that the conference was inadequately prepared. But we attached such great importance to this year's conference that the way in which it took place did little to encourage confidence in the capacity of the participating institutions and social partners. Last year, thanks in particular to the concrete proposals made by the Commission, it was possible to open a discussion — if a limited discussion — and agree on the wording of a final communiqué on the objectives to be attained; this year the observers and guests, including members of parliament, had to be content — to their disquiet — with independent statements by the participants and conclusions by the President of the Council which were binding on no one.

It would be superfluous here to look once again at the socio-economic details which are well known to everyone and have constantly been debated in recent years by the European Parliament and its committees responsible; what is more they appear in the published documents on the Parliament's work. The Committee on Social Affairs, Employment and Education considers that Mr Glinne's report on last year's tripartite conference is perfectly comprehensive and would like also to draw attention to the content of the Belgian Prime Minister's, Mr Tindemans, report on this topic which has not apparently received sufficiently full attention.

It should also be noted that events like the tripartite conference which in itself should be of great importance and reflect a deep responsibility for the solution of the Community's economic and social problems, reveal the underlying inability of the European institutions to contribute to such a solution precisely because the EEC Treaties do not give them an adequate legal basis for a Community social policy; as a result they are reduced to the minimal powers which the Member States are prepared to transfer to them from the national level.

We can do no more than touch on this aspect here, but the Committee on Social Affairs, Employment and Education hopes that the continuation of the discussion and the possibility of direct elections to the European Parliament by universal suffrage may bring about considerable improvements in this area.

Our committee has, however, noted with concern that the economic and social problems which will arise

cannot be solved on their own or at national level, but require to an ever-increasing extent a Community project whose conception and application — subject to control by the European Parliament — will be entrusted to existing Community institutions, more specifically to the Economic and Social Committee and the Standing Committee on Employment, while joint working parties must be set up in specific sectors currently threatened by the economic crisis.

We consider that the role of the new project should be to consider and take appropriate action capable of contributing to the discovery of solutions to present and future economic and social problems. In addition measures with precise, short-term objectives will have to be taken. In this connection, our committee is particularly disturbed by the continuing increase in unemployment among young people which is liable in the long run to become a threat to the political stability of the Member States; the discrimination against women engaged in professional activity or either wishing or obliged to do so is also giving us grounds for serious concern. Our committee likewise attaches decisive importance to the rapid definition of measures capable of compensating the structural and sectoral imbalance of economic development, and we stress in particular the need to encourage investments and direct them towards the disadvantaged or threatened sectors of the economy.

For such measures to be effectively implemented no other political instruments hold out such promise of lasting success as an extension of the powers of the Community institutions and national solutions on their own have already proved ineffective; contrary to the Council's traditional budgetary practice, no obstacles should therefore be placed in the way of a substantial qualitative and quantitative increase in the necessary resources.

On the basis of these considerations, our Parliament must recognize the gravity of the problems facing us today; it must also indicate its position on this subject, if only in a negative sense, so as to appeal once again to the responsible European and national institutions to effectively discharge their obligations to the citizens of this Community.

**President.** — I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, confronted with a difficulty which is fairly common in political life, my colleague, Henk Vredeling, and I have to reply in a single debate to three documents: the report by Lord Ardwick on the economic situation, the opinions of the Committee on Social Affairs, Employment and Education, and an oral question by Mr Jean Durieux on economic policy, social policy and the problems of unemployment. This makes us a little schizophrenic and I shall ask in due course for the reply to the various ques-

## Ortoli

tions which have been raised to be shared between Mr Vredeling and myself. I shall now give an overall reply, not touching immediately on the problems of the tripartite conference, and Mr Vredeling may speak at the end of the debate. I feel it is preferable to answer the general questions first and then look at certain specific problems, in particular those Mr Santer raised just now.

To my mind, the essential point is of course the general debate on the guidelines put forward by the Commission for 1978; these guidelines are in reality referred to in the three documents, since essentially the problem confronting us is our capacity to respond to a very serious, immediate and long-term crisis; that is the issue underlying all the observations we have heard today. If the two other speakers will allow me to do so, I want in particular to thank Lord Ardwick and Mr Glinne for the excellent work done by the Committee on Economic and Monetary Affairs and for the guidelines or suggestions contained in the report and in the draft resolutions.

I do not think there is any need for me to go through all the subjects raised in the annual report once again, but I want to make a few observations which will help to place all the questions raised in their overall context.

Let me say first of all in passing — as this was not part of my initial speech — to Mr Durieux that the Community does have a medium-term vision; after all, as Lord Ardwick reminded you this morning, we have discussed in this House a medium-term programme which we decided could and should be adopted; that programme outlines in relatively clear terms the common action taken by the Member States. It is therefore mistaken to say that the Community has decided to avoid dealing with the problems which confront it; you have yourself been associated in this work and have accepted this necessity; such was the conclusion of your debate last March.

Secondly, I cannot accept the idea that the Community institutions have in any way thrown in the sponge; I cannot accept that suggestion because although we had, as Lord Ardwick reminded you, only very limited direct means at our disposal, we have tried, as the annual report indicates in very precise terms, to propose a certain strategy to all the Member States with a view to enabling them to make 1978 a key year in the achievement once again of satisfactory growth and a reduction in under-employment. I can accept criticism of our ideas and the view that our strategy was wrong, but I cannot accept the suggestion that the Commission has shirked its responsibilities. It has shouldered its responsibility — I shall come back to this — by explaining in no uncertain terms that at a given point in the economic cycle it was not good enough to give free rein to spontaneous tendencies but that a measure of public determination was also

necessary and that the Community could lend support to this action by the Member States. That is the theme which underlies the whole of our report. Consequently on this point I do not think that we have failed in our duty which was precisely to make proposals of this kind.

Finally, on a number of points raised by the two previous speakers (I shall be returning later to Lord Ardwick's report), there can be no doubt that we have tried to define the precise importance of growth in the economy and that 80% of our employment problems will be solved by continuous growth which will bring a general solution to the problems; but we have also made a set of proposals which, Mr Durieux, include the measures you have yourself indicated on the employment front, namely an active employment policy covering a number of sectors in which it is not sufficient to leave things to general economic development but where we must facilitate, particularly as regards young people and women, the solution of the problems as they arise. The very themes referred to by the two previous speakers run through all that we have said and written in the past few months, including the problems of occupational training, adaptation of a set of instruments to the real problems arising on the employment market and the specific difficulties of women and young people. I therefore sincerely believe that we cannot be accused of failing to define the problems or present a number of solutions.

One criticism can, however, be made of us, or of Europe, if you prefer: namely that we have not reached the degree of development at which the powerful instruments to which you allude would be in the hands of Europe as such. That is true, but I hope things will soon change, and I shall be returning to this point later.

I come back now to the general diagnosis of the situation and the general action which can be followed which formed the substance of our report for 1978.

Firstly, a diagnosis of the economic situation with the observation that this situation presents many contrasts: progress in some sectors and considerable disappointment in others. Progress has been made on the balance of payments front. The Community as a whole had a deficit of about 8 thousand million dollars in 1976; the corresponding figure for 1977 will be between 1 and 2 thousand million and there is no doubt now that the average deficit of the countries most severely affected will be down well below the 1975-76 levels to the average for the years 1970-74, that is to say before the great crisis set in. We also see signs of a reduction in the surplus of the most favoured countries, which again is an objective to be achieved within the Community.

This is of course due in part to the economic situation, but I think it also reflects a more important



## Ortoli

effort to improve the position due to the rather bold policies pursued in a number of countries.

On the prices front the general situation is less satisfactory because we shall have an average price increase of some 9.5 % again this year, against some 10 % last year; the average situation has, however, shown an improvement in the past few months since the figure has fallen from 9.5 to 9 % between April and September and we are expecting a rather lower average for the Community as a whole in the second half of the year.

Of course one swallow does not make the summer; we must not attach exaggerated importance to the downward trend but it is a fact that this trend exists and it is explained by a number of factors, including the general evolution of wages and salaries.

I think that there is now a greater general awareness of the need to hold down price rises and to take the general economic context and the requirement of controlling inflation into account in determining wage increases.

That brings me to the subject of possible measures and I shall reply to the points made by the different speakers, once again leaving it to Mr Vredeling to answer the more specific questions relating to the tripartite conference at the end of the debate.

Firstly, our policy is based on the very lines defined by the three speakers, namely the observation that both unemployment and inflation are running at levels which are far too high. We therefore want to introduce a policy — as indicated in our annual report — which will enable the spontaneous trends of demand to be corrected because the present trends do not give us the rate of growth which we consider desirable from the employment angle. How then can we bring the Member States to adopt a more determined attitude and attain the figure of 4 to 4.5 % above which we can find a new stability and a reversal of the poor prospects — including the psychological attitude — which will make itself far more strongly felt in the Community. How can we do this without initiating an indiscriminate policy of economic expansion, and without lax monetary or wages policies, while using the instruments at our disposal? Some countries are in a more favourable position: how can they make use of it? Then again, and this brings me back to our diagnosis, how are we to make use of the margin for manoeuvre which is created when our overall situation becomes more favourable? This was our basic idea.

Lord Ardwick took up the term 'margin for manoeuvre' this morning while wondering, or so it seemed to me, whether we had been ambitious enough. I do not think, however, that we can propose a growth rate of more than 4 to 4.5 % for the Community next year because the underlying forces of the economy will not allow a higher figure. And if a higher rate were achieved it would inevitably be at the cost of policies which would throw doubt on our

fundamental objective: the fight against inflation, which is central to all our efforts for reasons independent of our own volition — for reasons of social justice, competitiveness and the peace of mind of all sectors of the economy which have had enough of a period where monetary and price movements have got out of control. The fight against inflation is infinitely more important in consolidating confidence than all that has been said and written on the subject. If people could say in all sincerity we 'shall have 2, 3 or even 4 % next year' how different their attitude would be — especially if this were a collective impression throughout Europe in contrast to all that we feel today, reflecting an anxiety which is no longer altogether rational but is simply based on insecurity, including insecurity about the profitability of investments and development of the market, since we do not know what new measures the general economic situation will force the governments to take to restore a more satisfactory situation. Then there is the fear of 'stop-go' policies and of all the decisions which the public authorities are obliged to take when the problems become too serious in terms of general equilibrium.

That is a first point. But let me say that when we describe this strategy it obviously entails a number of consequences. The first, as we have seen, is that a number of States must agree to make an additional effort, especially in the area of public investments. This means that a target we fixed together here in March, that of restoring budgetary equilibrium rapidly in certain countries, will have to be deferred, but not abandoned. It means too that we must at all costs adhere to the objective of balance of payments equilibrium while not expecting each Member State to achieve that equilibrium again overnight, because we should otherwise enter on a highly deflationary period. That brings me back to the Community which can provide the solidarity enabling balance of payments constraints to be overcome (provided that all the countries do their duty, by holding to the central objective of restoring equilibrium).

This is the type of strategy we are proposing. At the same time we are asking for the introduction of a policy which will allow greater cohesion of economic and monetary action, and I am grateful to Lord Ardwick for stressing that we cannot separate our ideas on conjunctural measures from our longer-term concept on the convergence of monetary, budgetary and exchange policies, because — and it is a pity that is not generally accepted in the Community — we live in a Community which forms a single market with all its imperfections, a Community in which the degree of interdependence is tremendous because some of our countries send more than 10 % of their output to other parts of the common market; and 10 % is not a marginal quantity — it is fundamental. In a Community such as this the convergence of policies is a way of avoiding incoherence and it is a stimu-

## Ortoli

lating factor for national policies because the market has been set up and there is a dimension or level at which collective action has a multiplying effect. Of course I cannot set a figure to it, but I assure you it is a matter of simple logic and of psychology too; today everything in our countries calls for action which is not individual or national but represents an effort at Community and international level because, admittedly to a lesser but no less real extent, cooperation with our important neighbours — in the United States and Japan for example — is an essential contributory factor to our own prosperity. This reasoning which everyone accepts when it comes to international action is ten times more valid within the Community, and I hope that Parliament will help us to underline the fact.

This is what we are proposing and it is not a matter which can leave you indifferent in terms of our response to today's problems or of the reflection of a self-evident truth. It is impossible to create a single market which has no consequences for economic policy. Some people may pretend that can be done, but it is not true. Any separation of national policies from the economic reality of a highly interdependent market involves the introduction of a factor of incoherence. Once again I am grateful to Lord Ardwick for having pointed out the close link between our thoughts on the legislative aspect and our ideas on the coherence of policies.

In answer to Mr Durieux, I would say that I do not think remedies exist at present. You asked this in oral question. I maintain that there are no genuinely new remedies to the difficulties now facing us. I would say too that there are very few solutions other than the combination of lucidity and effort. Lucidity involves a very difficult task in drawing up policies but there are no miracle solutions to replace effort. I cannot propose miracle solutions to you. But it is also true that our policy today in 1977 must take account of the relatively far-reaching changes which have occurred and that we cannot use all the post-war remedies to solve our difficulties in a very different type of situation. The situation facing us today is one to which we were not accustomed. The combination of inflation and under-utilization of production capacity is a new kind of crisis. And then there have been a series of severe shocks leading to a structural change which — and here I agree with Lord Ardwick — must be taken into account in all our policy because if we fail to take account of the new facts — and the facts are there, whether we like them or not — we are no longer pursuing a policy but merely playing with words.

True policy must be based on the real facts. One of those facts is far-reaching structural change. Longer-term objectives, ineluctable industrial redeployment, the need — having regard to a certain mobility of the

employment market — to pursue more actively the aim of creating new jobs, and the constraints of competitiveness which we tended to forget in the euphoric period of growing international trade, all these are factors to be allowed for in our reasoning and I think you will notice them in our analysis. I therefore fully agree that we cannot just go on applying the techniques of the post-war years, the recipes which economists thought, in a period of great confidence, could be reduced to a few basic rules; on the contrary we must incorporate certain new factors into the instruments with which we are familiar at the macro-economic level. Having said that, Mr Durieux, I am not able to propose genuinely new solutions but would plead in favour of lucidity and sustained political action together with the real effort which has become essential.

We have thus placed a number of instruments at the centre of our action. I described an overall strategy just now. The spontaneous trend is for 3.5 % growth next year which is not enough. The turning point will come at 4 to 4.5 % and we think that figure can be attained, provided that we all use the margin for manoeuvre open to us, while respecting the fundamental objectives and in particular the fight against inflation. If we do not pursue the fight against inflation we shall find ourselves in a situation which is perfectly clear. Growth will not be possible and we shall be creating the conditions for a further rise in unemployment which is quite unacceptable. What we now need are instruments to influence both investment and demand.

On the demand side we felt that a greater effort was called for in a number of countries, not by placing a greater burden on production costs because that will bring us straight up against the problem of inflation but by creating stronger instruments through tax concessions or certain social measures which are not permanent but reversible and carefully chosen to enable demand to be supported to some degree.

The other aspect is investment which I believe will have an increasingly important role to play. Why? Firstly because it is clearly an excellent way of sustaining demand. But also because failure to invest today amounts to preparing the obsolescence and non-competitiveness of our capital equipment tomorrow. I readily understand all the reasons we are given (lack of demand, uncertain market) but a decision not to invest is mortgaging our future. If our capital equipment is not able to meet the acute competition which we shall be facing, we shall be paying the bill again in three years time in terms of competitiveness on the external market; hence the idea that the public authorities must make an effort. They must make this effort in the area of public investment which is tending to decline at a time when it should be providing support for general economic activity.

## Ortoli

They must do so by encouraging investment in the areas where it has a vital role to play (public enterprises and energy), but we must also highlight the need for more direct intervention or more precisely for developing investment in the private sector; this touches on two aspects of the problem I wanted to raise.

Firstly, we must make it generally understood that we are examining the problems as best we can and holding out prospects which, without being extraordinary, are nonetheless serious: work in common has an obvious psychological value. By supporting demand we must also show that the market is capable of further development.

But the fight against inflation is also a vital factor since it provokes thought about the viability of investment and hence about the capability of putting into effect new instruments which can be justified by the increased output obtained.

On this basis we have proposed a strategy which I shall not look at again in detail here. You are aware that the Council of Ministers of Finance and Economic Affairs adopted this strategy. I have described its ambitions and limitations, but we have asked for much greater emphasis to be placed on the importance of investment for the revival of the European economy in the short and medium term. The support for internal demand through investment, the preparation for future competition and the development of new means of production are inseparable; that is why we have proposed a new instrument which symbolically reflects the Community's interest in this problem and its readiness to make an additional effort at its particular level.

In practical terms, the Community should mobilize a little more money in particular for the hardest hit sectors (energy, industry which is undergoing transformation and growth, infrastructures); this action should be taken immediately to answer all those who are questioning the Commission's supposed Machiavellian intentions in working with other bodies such as the European Investment Bank to which we should like to see handed over responsibility for the management of loan operations — it being understood that those loans would be granted in the context of a Community policy by decision of the Council acting on a proposal from the Commission. I felt that this point deserved to be stressed.

I shall now answer the question by Mr Durieux on the problem of unemployment and the value of the statistics at our disposal. It is very difficult for us to assess the conditions under which national efforts are being made to determine the true labour market situation. The search for a job is an individual phenomenon which cannot be measured. The behaviour of individuals and the statistical evaluation of unemployment

depend on a great many factors (probability of finding a job in the region corresponding to the applicant's qualifications, confidence in the efficiency of the employment services, level of remuneration, conditions for granting unemployment benefits) which may have a marginal influence on the statistics. What I can say is that at Community level we evaluate and make available to you all the factors enabling the information habitually processed in determining national unemployment (sex, age, profession, former sector of activity) to be given so that the main trends in the Community can be assessed. This data is regularly published by the Statistical Office.

In conclusion, I would point out that all this forms part of a broader movement. Lord Ardwick has mentioned this, as have Mr Santer and Mr Durieux. Our ultimate objective is economic and monetary union, and the Commission will be describing to you what it sees as the immediate prospects for progress towards that union in the near future; that will be one subject of discussion at the European Council meeting. Lord Ardwick referred to a leap forward and I believe the image is appropriate because it helps to define the problem. Unless we recognize the ultimate objective and the decisive role which a number of Member States can play in making progress towards economic and monetary union, we shall become bogged down in the details of everyday action. The union is essential, but if we do not take account of the fact that we have a difficult political and not merely technical action ahead of us in preparation for it, we shall be forgetting the conditions on which the great movements characterizing economic and monetary union can be based. With this in mind the Commission is now proceeding with its work and will be describing to the European Council the prospects opening ahead of us. This implies acceptance at Community level of the more limited and closer targets in the context of which it will be necessary to attempt, with the utmost tenacity, to make progress in those difficult areas in which Parliament well knows failures to be very numerous and the delays considerable.

That is the general spirit of our action; we know of course that we cannot do without the convergence of policies, the completion of the single market and a response to the Community's structural problems.

Unless we take those three factors into consideration immediately, we shall never achieve economic and monetary union. However, that is not the subject of our debate today and I think that the European Parliament will have occasion to discuss these problems again later — we hope at least that such a debate will be held.

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

Mr Glinne. — (F) Mr President, the objective of growth defined in quantitative terms was referred to in Lord Ardwick's report and Mr Ortoli has just made a number of observations on it. I want to return to the same subject but my comments will be as pertinent and brief as possible; I intend in fact to quote the words of the Commission itself. On page 3 of its report it has this to say:

'To attain the growth target set for the period 1976-1980 necessary to bring unemployment down from the estimated level of 5.4 % in 1977 to between 3 and 4 % in 1980, the volume of the Community's gross domestic product would have to increase at an annual rate of 5 to 6 % over the next three years. On present trends, however, a growth rate of only 3.5 to 4 % for the entire period 1976-1980 seems more plausible, barring a substantial change in economic policy strategy and an improvement of the social consensus'.

On page 7 of the same report, the Commission makes the following observations:

'Annual growth of the GDP in 1978 of approximately 3.5 % in real terms which is the estimated figure at present in the absence of further adjustments to the Member States' economic policies, is not enough to take up the slack production capacity. That being so, the employment market will continue to worsen; in most of the Member States stabilization or even an improvement in the unemployment trend would necessitate a moderate rate of cost inflation and a growth rate of 4 to 4.5 % of GDP in volume terms; restoration of full employment would require a far higher medium-term annual growth rate'.

The first purpose of my remarks today, Mr President, is to stress the two last lines of the extract I have just read out to you; the Socialist Group considers that our economic policy target must be higher than the figure of 4 to 4.5 % in the immediate future and not merely in the medium term.

This leads me on from the target of growth defined in quantitative terms to an objective defined qualitatively. During the discussion in the Economic and Social Committee a trade union representative — British, if my recollection is correct — said to the Commission: 'We have a whole pile of documents but only mediocre results.' He may have been doing the Commission something of an injustice with that lapidary remark, considering all the efforts it has made. Nevertheless I think these words are altogether appropriate as a criticism of the programmes actually implemented by the Member States and the Community, since the net result of the national programmes and the Community's own efforts is a figure of close on 6 000 000 unemployed, implying the negation of one of the most fundamental human rights: the right to work.

Mr President, we know only too well that economic and monetary union will not be achieved overnight. We know too that economic policies are and will continue for some time to be marked above all by

national options harmonized to varying degrees at Community level, and by the Community's own means of action. If I may be permitted an aside at this point, I would say that the Commission's efforts have in some respects not been treated at their true value by the Council; as regards the endowment of the Regional Fund the Council has so far fallen far short of the Commission's proposals. If that proves to be the case we shall have occasion to regret this development.

We know of course that there are many disparities to overcome and that economic cohesion remains to be established. The question which then arises is the priority which should be given to this cohesion, this effort of harmonization and progressive establishment of economic and monetary union. For our part, having regard to the circumstances in which we have been living since 1974 — and which will no doubt continue for several more years — we consider that the first priority of all must be employment.

Job applicants — both men and women — are now crowding in upon us according to this year's statistics, as a result of demographic trends, the perfectly legitimate desire of women to participate in increasing numbers in employment policy, technological developments and rationalization with all the secondary effects of these phenomena on recruitment etc... Faced with this challenge which is apparently increasing and becoming more acute, we are left with a dominant impression of inadequate pooling of Community instruments. It is not the Commission but the Council which is to blame for this.

A further impression is of excessive hesitation to make the necessary choices. Mr President, we consider a different industrial policy to be necessary; in our view the available work must be shared out differently.

We believe that industrial policy cannot be based solely on the stimulation of private investment, however necessary that is in the present situation. Industrial measures by the public authorities, where possible at Community level and then at national level and at that of the regions where they are organized and competent to do so, must also be promoted in every area; this must not merely be done when the private sector has proved unable to cope — although some people seem to consider this a precondition for public intervention (the advocates of certain ideologies or pressure groups close to private enterprise interests). We believe, and this is the purpose of an amendment to paragraph 9 of the motion for a resolution tabled by Lord Ardwick, that industrial initiative by the public authorities is also a means of remedying the situation now facing us; we also consider industrial measures by the public authorities to be totally legitimate under conditions of overall economic viability where the social criterion and the medium-term economic impact must be taken into account too. At

## Glinne

present there are vast requirements for public facilities and equipment still to be met and at the same time a very high rate of unemployment; given that state of affairs, the under-utilization of production capacity is quite unacceptable. A great deal remains to be done in our countries by way of the provision of transport facilities, medical equipment, education and public facilities of all kinds. In this area and also in the industrial sector proper, we believe that public initiative has a primary role to play.

It is also important, Mr President, to put an end to certain bottlenecks. Some of our Member States for instance are recommending savings on thermal energy. But their regulations on low-cost housing still prohibit double-glazing because it is thought to be too expensive, although in fact it could mean substantial orders for the glass industry and real savings on heating bills. Another example is that of the steel industry. We all know the serious difficulties facing that sector but in some of our countries delaying action is still being taken on the introduction of industrialized house-building techniques which could take substantial quantities of steel while reducing the unit cost of dwellings. We hear a lot about the quality of life but the necessary detailed changes are slow to occur.

As to the distribution of working time, we believe that between now and 1980 provision should be made for a 36-hour working week with no loss of earnings; at the latest this aim should be achieved in the early 1980s progressively, starting with the sectors which are in the healthiest condition. I was privileged on 22 September to attend an exchange of views between members of my political group and representatives, acting in a personal capacity, of the European Trade Union Confederation. We are all familiar with the differences between our national situations; we know that the situation varies greatly from one country to another as regards the length of annual holidays, the date for retirement and the compulsory school-leaving age. The important need is first to harmonize the quantity of work so that there is a broad equivalence between the Member States; having regard to the results already achieved and the progress which can still be made in the area of productivity, we also consider it legitimate to move towards a 10% reduction in the working week between now and the early 1980s.

Mr President, a word now about 'stagflation': I am familiar with the anxiety of President Ortoli who does not wish certain strong policies for economic revival to fan the flames of inflation again. We in our group are sometimes irritated, to say the least, when we hear (I refer to speakers other than Mr Ortoli) vigorous pleas for moderation by wage-earners alone. We all know that inflationary movements are not due solely to excessive wage increases. For some years now we

have been witnessing in all the Western countries curious phenomena of the artificial creation of money through all kinds of property and monetary speculation. If there is to be moderation it should be practised by all categories and general acceptance of this principle should be guaranteed before wage-earners are asked to respect this discipline.

We believe that, given the present rates of inflation in most EEC countries, i.e. close on 10%, priority should go to reflationary measures enabling new jobs to be created. In the absence of such measures I am afraid that in its next reports on the economic situation, the Commission will have to put on record an increasingly unacceptable social and economic phenomenon — namely the existence of six or eight or even nine million restive unemployed, including 40 to 45% young people and a great many women too. They will all want to know why there are idle factories and an increasing number of idle workers. If that question comes to be asked on a more massive scale in the future, the consequences could be extremely dramatic.

Mr President, a final comment on the tripartite conferences. The Socialist Group has always considered the principle of those conferences to be an excellent one and that the efforts already made since 1973 should be stubbornly pursued. At the time I was well placed to recognize certain difficulties in establishing a balanced composition of the delegations to such conferences. I repeat that the principle is excellent. But to judge by the way in which the last conference took place it seems that the implementation falls well short of the hopes placed in it. There is no genuine exchange of views at these meetings where in the last analysis confrontation of opinions does not take place. I have the disturbing impression that too many delegates send their speech to their union weekly or monthly journal, read it out conscientiously and then simply fade away into the lobbies without waiting to hear the response to it. We have a succession of statements recorded in the minutes, but no real discussion.

In our view the tripartite conferences can only bring positive results if they involve real debates on real proposals and if the delegates are asked to choose, if only on a consultative basis, specific lines of action. I would add to this already strong criticism the fact that the last tripartite conference was not adequately prepared by the Council of Ministers.

Mr President, I do not know whether my information is correct but it seems to me that there was a lack of consultation between the Ministers of Social Affairs and the Ministers of Economic Affairs. There was apparently no meeting between the ministers responsible for the unemployed on the one hand and the creation of new jobs on the other before the tripartite conference, although the finance ministers and the budget ministers whose principal responsibility at the

## Glinne

level of their respective governments is to prevent the commitment of further expenditure did in fact meet beforehand. Mr President, if further tripartite conferences are held on this same basis our group is afraid that further disillusion will follow the bitter disenchantment already so keenly felt in the present circumstances.

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

**Mr Schwörer.** — (D) I should like to begin by thanking Lord Ardwick for his report and the work he has put into the preparation of this major debate. I would say on behalf of my group that we approve the motion for a resolution as submitted by the Committee on Economic and Monetary Affairs. I should like to comment on three sections of the Commission's report, firstly on the analysis of the economic situation, secondly on the economic prospects for 1978 and thirdly on the economic policy objectives as seen by the Commission.

Taking the analysis of the economic situation first, I fear that we must agree with the Commission when it says that none of the 1977 economic policy objectives have been attained. The unemployment figures have grown worse; in the third quarter of 1977 the figure was 5.6 % compared with 4.8 % for the same period in 1975. Following the build-up of stocks and a revival of consumer demand in certain sectors, economic recovery has faltered throughout the Community. The level of industrial production is the same today as it was in 1974, the growth rate will be a bare 2.5 % as against 4.7 % in 1976 and a planned figure of 5 %. The average Community price increase is still as high as 9.5 %, the range extending from 4 % to 18 %, thus giving a 14 % gap between the countries with the greatest and least stability.

Lower growth rates in those countries that adopted a strict policy of containment in a bid to redress prices and improve the balance of payments were unfortunately not offset by higher growth rates in those countries that enjoy greater stability and a satisfactory balance-of-payments situation. I regret to say that my own country, the Federal Republic of Germany, did not succeed in achieving the 5 % growth rate promised in London. We shall be happy with a figure of 3 %, which means that the German economy has unfortunately not functioned, as expected, as the mainspring of Community growth.

The reason for low growth rates in all our countries is the extremely poor level of private investment. Investment in plant and machinery rose by a mere 1 % in 1977 as against last year's figure of 3 %, and fell far short of the planned figure of 7 %. But this lack of new investment has not been the only adverse factor; the existing level of production declined, capacity was under-utilized and a good many companies went to the wall. As I see it, the reasons are fairly clear. Produc-

tion costs in European industry are too high and here, Mr Glinne, I am not thinking only of wage costs; the economy is saddled with a whole series of others: there is the burden of taxation, social security, energy costs, the increased costs of environmental protection and the costs entailed by the requirements of bureaucracy, all of which are a charge on the economy. Profit margins have been squeezed so tight that some firms have had to close down and others — as I said a moment ago — have gone out of business. What is even worse, our industry has aged even further this year and precisely because we are so dependent on exports, this is a particularly dangerous situation.

On top of this, we must also realize that the developing countries and the state-trading countries have in some cases built up modern industries and are emerging as competitors on our markets. This was only to be expected.

There is something else that we in Europe have to contend with and will have to contend with even more in future: new technologies, especially in the field of data processing, are changing the face of whole sectors of industry. Unfortunately, these new technologies are not centered in Europe. When it comes to licenses in this new sector, Europe's balance is deep in the red and European companies with world-wide operations prefer to go to non-European countries whenever they are required to make further investments in this field.

That is the situation and those are the prospects for 1978. Here again, I can only agree with the Commission when it says that 1978 will be another difficult year for the economy. World trade will not expand enough to provide any additional impetus towards growth. This has to do in part with the internal problems facing our large trading partners, the USA, Japan and Canada, where domestic demand is causing difficulties. Non-Community countries in Europe, some of whom have applied for accession, are struggling with serious balance-of-payments difficulties. The developing countries, with the exception of the oil producers, are faced with financial problems because raw materials have not increased further in price but in some cases have even become cheaper.

World trade is expected to increase by between 5 and 6 % at the most, as against 9 % in 1976 and 7.5 % this year. The Commission therefore puts the estimated growth in the gross domestic product at between 3 % and 3.5 % for next year but, speaking to the Committee on Economic Affairs some four weeks ago, Mr Ortoli mentioned a figure as low as 2.5 %. This means that it will be somewhere between 2.5 % and 3.5 %, in other words only a slight increase as compared with 1977.

This means that there is bound to be a further rise in unemployment in 1978. The Community figure of 5.9 million unemployed is thus certain to top the 6

## Schwörer

million mark. Despite this, the rate of inflation will be higher than we would like, the estimated figure, repeated a moment ago by Mr Ortoli, being about 8.5%. This is a slight improvement which is considered possible because of the good harvests recorded this year, the fall in the price of some raw materials and partly too because wholesale prices have been low during the second half of 1977.

However, in advancing this figure of 8.5%, the Commission went on the assumption that wage increases will be held down in 1978!

In addition to these figures — which to my mind are realistic — the Commission's report contained a catalogue of hopes and targets which we all know to be unattainable. The main figures in this catalogue are a growth rate of between 4 and 4.5% which would steady the employment situation, i.e. there would be no further rise in unemployment, and an inflation rate of 7% at the most, ranging from 4% to 10% at the most in the country with the highest rate. These are the figures which the report would like to see achieved.

We should be most happy if we could reach those figures, which is why we are prepared to support everything the Commission proposes to bring them closer. As I see it, we must direct our efforts along the following lines:

First of all, we must again come closer to the general requirements for healthy growth. The climate of stability must be maintained, not only to keep interest rates low but also to strengthen business confidence in a steady improvement of the economy.

Secondly, there must be an end to the attacks on the market economy, the continuous threats of state intervention, of dirigist measures and new burdens on the economy. They create a climate that frightens off investment and we know perfectly well today that it is not the market economy that has failed us but that the adverse effects we have suffered over the last few years have occurred because too great a strain was placed on it: double-figure inflation rates, the resulting unemployment and the inability and unwillingness to make new investments.

In my view, the rules of the market economy — reason, moderation and cooperation between the social groups — must be more closely followed. I repeat that we could, in this way, create the necessary psychological conditions and climate for a sustained effort, especially in the private investment sector.

Thirdly, the cost-profit ratio must be restored to and maintained at a satisfactory level. And we must remember here that investment risks are a lot greater today and the expectation of profit more uncertain than they used to be. And I repeat, Mr Glinne, that costs are not just wage costs; in the Federal Republic of Germany wage costs account for 56% of the total, which is why we must undoubtedly give them our

careful attention. I fully support what you said on this point: the concerted efforts made at Community level must be improved and we really must set up the sort of discussion process that will produce results. The Commission found the right words in its report when it said that the achievement of the growth targets and an improved employment situation will depend on the active participation and support of the social partners and they must together contend with the risks of the business cycle and the difficulties of medium-term structural change. We can only emphasize every word of this, together with the passage in the report which says that wage claims should be related to improvements in productivity and take account of tax relief, pointing out that this is the only way to curb rising prices and improve the profit situation of undertakings and their propensity to invest.

Fourthly, the additional disincentives to investment that are now to be found everywhere must be removed. We are thinking first and foremost of administrative complications. Regulations on the protection of the environment and nature, and also in many other sectors, have made it much more difficult to obtain building permits for heavy plant, whether in the energy sector or in other fields; on top of this there are popular campaigns which sometimes hold up projects involving vast sums of money. We are pleased to hear the Commission say quite clearly that a change is needed here. Perhaps the Commission should intervene in the debates on such matters that have become commonplace in the Member States; it might perhaps, with some of the authority of an independent body, be able to put forward the occasionally helpful argument in the sort of heated debates that go on.

Fifthly, we agree entirely with what the Commission proposes in the area of employment policy: improved vocational training, retraining, guidance and placement services. We are in favour of the programmes to combat youth unemployment — a topic which has already been discussed on many occasions in this House. We are in favour of payments from the Social and Regional Funds not only to combat youth unemployment but also unemployment among women, which is why we support the relevant draft amendment.

My sixth point has to do with monetary and credit policy. I believe that things have worked well in this sector during the past few years. In my view, the system whereby the money supply is determined annually in cooperation with the central banks in order to avoid the inflationary effects of too plentiful a money supply has proved its worth. I will make only one comment on this topic: the figure decided on — this year, for instance, it was an increase of 8% in the Federal Republic of Germany — should not be taken as a guidance figure for other parameters such as wage



## Schwörer

increases. It has been suggested in some quarters that approximately the same figures should be taken in both cases.

We, on the contrary, are of the opinion that the money supply figure cannot be used here and the only purpose it serves is to determine the size of the increase in the money supply.

I come to my seventh point, measures to facilitate structural changes in industry. Here too, Mr Ortoli, we are in favour of your proposal to make greater efforts to save energy and to develop new sources, and to do more in the research and application of new technologies. That is a necessary thing. We fully agree with you when you say that capital formation must be improved and capital procurement made easier, especially in those sectors that have been at a disadvantage until now — I am thinking specifically of small and medium-sized undertakings — and we firmly support you when you say that small and medium-sized undertakings should be granted tax relief, not only to ease their situation but also to provide a greater incentive to the setting up of new businesses.

We are rather sceptical, Mr Ortoli, as far as the instrument for structural change referred to in paragraph 6 of the motion for a resolution is concerned. We should like to see the resolution remain as it now stands; you could then explain your proposals in detail to the Committee on Economic and Monetary Affairs and if we saw that they really would introduce an additional instrument that made structural change easier then we would most certainly be in favour. I should like to announce, however, that we reject the draft amendment tabled by the Socialist Group tending to approve them. In my view, we are not yet sufficiently familiar with these proposals and, as I said, we should first wait and see what the Commission has to say about them. I say this deliberately since it is my contention that future success does not lie in more bureaucracy but in the wakening and encouragement of private initiative. Complicated bureaucratic regulations are the biggest obstacle in the way of structural change. I take the view that we ought to encourage the smaller enterprises for they are in the best position to bring about the structural change we are talking about. This can be most clearly seen from the crafts sector in all branches of which we can perceive an extremely modern outlook which has helped them to weather the crisis best.

My eighth point, which is cooperation between the Community institutions, is referred to in paragraph 11 of the motion for a resolution. I can only repeat and emphasize what Lord Ardwick had to say on this point; he was surprised that the Commission found it necessary to say in its paper to the Council of 5 October that efforts should be made in future to secure effective participation by the ministers when these important topics were discussed, that meetings

ought to be more methodically prepared, that an open discussion of the basic underlying issues should be arranged and that an improved consultation procedure would be desirable. I can only ask what they have really been doing this far. Has the Council really taken no further part in the work of those bodies over the last few months, or, as Mr Glinne said when he spoke of concerted action, has it simply issued a statement and left it at that? We can only stress that the Council of Ministers has a duty here to discuss such important topics with the Commission and produce a result and that there must be involvement at the highest levels leading to genuine decisions of a practical nature and not just academic discussion.

I should like to add a word to what the Commission says about state aids. It is my firm view that we need greater clarity in this sector in order to prevent state aids for certain branches of industry in the Member States from becoming state support for dumping within the Community. You will have our support in this area if you introduce greater clarity.

A final word on what is said on protectionism in the final section of the report. I too am of the opinion that protectionism is no answer to our present problems but I also believe that protectionism will die a natural death once we return to reasonable growth for it is, after all, no more than a manifestation of the unsatisfactory situation in which we find ourselves. I should like to quote here what the French Prime Minister, Mr Barre, said a few days ago, speaking to the Agence Economique et Financière. He said that international trade should be brought under some form of organized freedom. Organized freedom means that wherever measures are applied that run counter to reasonable competition or wherever you have competitors who are allowed to sell on the basis of entirely different considerations — I am thinking particularly of the world textile agreement — such competition must plainly be subject to certain rules. There is no alternative course unless we wish, at this critical juncture, to have even fewer jobs in the Community.

That is all I wished to say. The annual report gives a fair assessment of the situation, its estimates are realistic and the targets it sets are bold. Everything will depend on whether we succeed in following words with action, on whether the Member States can cooperate better to protect the market economy, can stimulate private investment through tax relief and, through an improved structural policy that helps small and medium-sized undertakings, provide the whole economy with fresh impetus. I believe that it would then be possible through healthier growth to approach the objectives of medium-term economic policy which, as far as we are concerned, can only be full employment with price stability. I repeat that we shall vote for Lord Ardwick's motion for a resolution



**Schwörer**

since we hope that we shall thus be helping towards the improvement of the economic situation in the Community.

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

**Mr Damseaux.** — (F) Mr President, Commissioner, ladies and gentlemen, we are used to excellent reports from Lord Ardwick on economic and monetary affairs and I should like to thank him. In September he submitted a full report on the economic and monetary situation in the Community. Today's report has a less theoretical basis but a logical one nevertheless, since Parliament is required to give an opinion on a practical Commission proposal laying down political and economic guidelines for our Member States in 1978.

I could comment at length on the causes that have produced the present situation and what is required to put it right but I would be restating the obvious. I shall therefore confine myself to the remark that I view this problem and the way it is dealt with as an acid test for the future of the Community. We are all aware that the measures proposed by the Commission, as amended by the opinion which Parliament will adopt today, are feasible and capable of producing good results but it is the Member States that have the important task of applying them. If therefore, this year again, they do not entirely follow the economic guidelines proposed by the Community institutions, I am not sure that it will be possible to preserve what the Community has so far achieved. We have had what I believe are excellent comments from all sides, especially by Mr Jenkins on exchange rate variations and movements and we could, I think, usefully draw on some of the comments made by Mr Werner in his book 'L'Europe monétaire reconsidérée'. Both last September and today, we have also had excellent contributions from Mr Ortoli on the changing demand structure and employment opportunities as well as on restraints to competition. In September too, we had an excellent presentation by Mr Simonet, President-in-Office of the Council and we entirely agree with his views on the reduction of working hours, the system of ownership in the production sector and on the role of the state in the industrial sector.

I believe we can say that today, employment is everyone's priority. All of us say and repeat that our governments must take serious steps to reduce unemployment and create new jobs. We are all agreed on the objectives but differ, sometimes widely, on the means required to achieve them. In this sense and in this context, the Community institutions and the governments of the Member States must show a far greater spirit of cooperation in lining up their policies. All our economic experts agree that it is vital that those in positions of political responsibility in Western Europe should, as their first task, introduce reforms

that would reduce the fiscal and parafiscal burden on both private individuals and companies; private individuals, for it is high time to stimulate domestic consumption, and companies, so that they have a proper assurance of profitability and can remain competitive, especially in countries with open frontiers.

However, the temptation to return to protectionism must be avoided at all costs and there can be no serious prospects of progress if everything that is done is based on the need to update our industrial structures as part of a new international division of labour; my remark should not be understood in the same sense as the amendment tabled by Mr Glinne to paragraph 9 of Lord Ardwick's motion for a resolution regarding public initiative in the industrial sector. We believe that the role of the Community institutions is a decisive one, that we should make greater efforts to achieve uniform legislation and subject national action to close scrutiny, even if it is not always as transparent as one might wish, and play a leading role in world negotiations.

Mr President, we are convinced that we are called upon to give new means of action to the Community institutions. It was in that spirit that, on the occasion of our debate in September, I had tabled an amendment on behalf of the Liberal and Democratic Group of this Assembly. This amendment aimed at creating an additional instrument of resources for the Community funds. My intention was to add the following paragraph to the resolution of the Committee on Economic and Monetary Affairs:

The European Parliament invites the Commission and Council to consider issuing on world capital markets a Community loan whose aim would be to increase the scope for intervention by Community funds.

At that time I was very surprised that the rapporteur simply asked for the rejection of my amendment without even trying to find a text expressing the idea in other words. My friends and myself are naturally very happy that two months later this idea should burst out again and that in point 6 of the resolution the European Parliament,

takes note of the Commission's proposal for a new Community financing instrument for improving structures, believes this to be of great significance and awaits with interest definitive proposals in this field.

Indeed Lord Ardwick had approved and not just taken note of the Commission's proposals. That is why, in view of the importance of the creation of this additional financing instrument for Community funds, I have the honour to table an amendment re-establishing the original text.

There is one point, however, to which I must call Lord Ardwick's attention. Lord Bruce has tabled a similar amendment; nevertheless, may I ask the rapporteur to be very careful in deciding precisely

**Damseaux**

what text will be submitted to our vote. In Lord Bruce's text the word 'approves' is translated in French by '*appuie*', which is much weaker than 'approves', while in the text of my amendment the verb 'approves' is translated in German by '*billigt*', which is weaker than '*unterstützt*'; the word in the other text. My amendment is inspired by my concern to use the precise terminology. The two texts mean the same thing, but we, for our part, think it better to be as precise as possible with the terms used in this resolution. Either we are against the principle of a Community loan, in which case we cannot even approve point 6 of the resolution, or we are favourable to the principle of a Community loan, in which case we must insist on the use of the exact word; it is better to call a spade a spade.

Today, it is our task to help the Commission to provide the Community with all the necessary means to enable it to restore the economic and social health of our regions; tomorrow, our task will be to monitor the attitudes of our governments towards the economic policy guidelines proposed by the Community, and, should the occasion arise, to censure them by a negative vote in our national parliaments. It will be a test of good faith for the future of our Community.

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

**Mr Jensen.** — (DK) Mr President, Honourable Members, because of an unforeseeable change in our agenda, the rapporteur, Mr Kai Nyborg, is unable to be present so I shall deliver his speech. Is it a coincidence that we are debating the economic situation and the Community's economic policy, unemployment and inflation and the Tripartite Conference of 27 June at the same time? Of course it is no coincidence; these three problems are closely connected. But why are we getting nowhere despite the Tripartite Conference and so on? Yes, why? Because we are not adding anything new to debate, because we are continuing to think and debate along the old lines in a modern world where old standards are not enough. Our past is catching up with us. In the present world market we are being underbid by countries that have not reached our social plane. Not because the populations of those countries are more clever than ours, quite the contrary, but because we were dazzled by the economic upswing in the 60s and have led ourselves into the trap of over-administration, social welfare and goods that our people did not ask for. All these goods and social provisions have made it necessary to increase taxation. When taxation is increased, the population will be compensated for not having to lower their standard of living, and then inflation is in full swing, costs go up and here we are at the heart of the matter. Costs are crucial to our exports and therefore to our industry and our labour market situation. We are always hearing how necessary it is to invest

and expand production. But that's not where the problem lies. What is the point in investing and expanding production when we cannot sell enough on the world market because our prices are too high? Without a common trade or transport policy we are too easy a prey for state-trading countries. Unfortunately it looks as though we have a long way to go in these two areas before we reach an acceptable situation. A third area, the Community customs union and free movement of goods, still leaves much to be desired. We have brought unnecessary trouble and unnecessary costs upon ourselves. We can see how one industry after another has to throw in the sponge under the strain of external competition which in many cases we ourselves are helping to finance, for instance COMECON countries with easy loans and easy long-term credit. So what can we do? We cannot bring down the cost of raw materials, so we must try to bring down labour costs. We can for instance encourage further mechanization and rationalization but that is a poor solution because it merely creates unemployment. We can also lower wages but that is scarcely possible since our workers are certainly not overpaid. But we can rationalize the public administration apparatus and cut down on over-administration and prestigious projects and then convert these savings into tax relief for the productive sector of the population. We could then have a wage freeze that would make us competitive again on the world market. And that would increase exports.

**President.** — I call Mrs Goutmann to speak on behalf of the Communist and Allies Group.

**Mrs Goutmann.** — (F) Mr President, today's debate is all the more timely and important in that it is concerned with unemployment, which is a tragedy that unfortunately is lived through daily by millions of jobless in the Community. I wish to say at the start that the situation is so serious that there is no room for commiseration or pious hopes in this debate; what we need is a lucid analysis of the causes and responsibilities if, at long last, we wish to do what needs to be done. By the same token, I cannot accept the arguments of those who systematically place unemployment and inflation on opposite sides of a sort of balance and thus tend to regard either unemployment or inflation as one of the inevitable features of our system about which nothing can be done. According to the latest available statistics, the number of jobless in the European Economic Community topped the six-million mark in September, an increase of 700 000 in one year. Unemployment is thus growing worse and the specialists forecast that the trend will continue. OECD, for instance, forecasts another 200 000 unemployed in France by mid-1978 and medium-term forecasts point to a figure of 2 million. There are other worrying signs; to an increasing extent, new job-seekers are either young people, women or workers leaving temporary employment.

## Goutmann

We must face this situation squarely. Unemployment is first and foremost a personal tragedy for workers who, dismissed from their factory or office, anxiously wonder what the future holds for them; a tragedy for those young people who emerge from adolescence to find a society that rejects and sacrifices them as a lost generation; a tragedy for those women who are left without the means to bring up their children; and a tragedy for those migrant workers who are sent back to their own country when they are no longer needed. Unemployment is life reduced to tomorrow's uncertainty; it is the shattered dream of a trade or profession chosen and prepared for; for the weakest — and they are unfortunately not isolated cases — it means the decision to end a life that has become too difficult.

In those circumstances, how hateful is the smear campaign against the unemployed. It is intolerable that some should seek to escape their own blame by hunting down the welfare shirkers and that others should pretend to see only the small numbers with adequate resources at a time when there are more than 700 000 people in France who do not receive any allowances and many are forced to live on public assistance with 20 francs a day. The fact is that this smear campaign, which is unworthy of politicians with a sense of responsibility, is an attempt to mask the seriousness of the situation and to induce a sense of guilt intended to steer the unemployed from the path of struggle. In the knowledge that the situation is disastrous and is growing worse, the French Government has now taken to doctoring the figures. For example, conscripts can no longer register with an employment exchange six months before they are called up. The registration of temporary workers is to be made more difficult and this will close the door even more firmly on steady employment. I take the greatest exception to the widening spread in all the countries of the Community of this form of labour marked by complete insecurity, especially scandalous wage conditions and a greater degree of worker submission.

Unemployment is not only a daily tragedy, it is also a tremendous waste. The whole nation is thereby deprived of the productive effort of a part of the working population; it means that ability and intelligence are left untapped; it is a stunting of the development of the individual who is refused the right to cultural development, the right to exercise a trade or profession and the right to work. Finally, unemployment strikes us as something irrational, an aberration, in the light of scientific and technical progress and of man's growing mastery of nature. The future historian who studies the situation of our countries in the 1970's is bound to be struck by the contrast between the opportunities available and the use made of them. What really astonishes me is that some of us here accept the view that unemployment today is a permanent feature of economic life. I find it unacceptable

that economic policy guidelines should assume that unemployment will continue or grow worse. We must face the fact that the governments of the Community countries are not really trying to eliminate unemployment and Mr Ortoli has just given us confirmation. France is a particularly good example of the choice that has been made at European level. Mr Barre is satisfied with the results of his plan. But what are these results? The purchasing power of the workers is 3% and that of civil servants 5% lower than when the plan was introduced whereas the profits of the large companies keep on growing. The report on the implementation of the seventh French plan shows that the share of salaries in the total value added fell from 50.6% in 1975 to 49.4% in 1977, whereas net company profits rose by nearly 20% both in 1976 and 1977.

These figures throw light on the true direction of the economic policy pursued by the French Government. It is a policy of aid and support for big business and its redeployment, a point which Mr Ortoli also stressed, a policy to restrict ordinary consumption. I do not know if Mr Barre is a great economist but I do know that everyone in France feels that reduced unemployment and a resumption of economic expansion are necessary and imply an increase in purchasing power. On the contrary, gifts to business trusts are irrecoverable and an endless drain on resources. To an increasing extent, the demand for investment is for the redeployment of capital, in other words for the liquidation of undertakings that are occasionally in the forefront of technological progress. It involves economic waste that harms the country and it is not the most powerful undertakings that pay the price. Thanks to the intricate web of financial relations, they can rid themselves cheaply of those branches they consider the least profitable and the rules of competition as they are today leave room only for those that can be likened to feudal economic and financial empires, but this is doubtless what Mr Giscard d'Estaing modestly calls 'organized liberalism'.

I should like to cite a few examples. Rhône-Poulenc is about to invest 350 million francs in its synthetic fibre subsidiary in Brazil after having opened a new unit in Thailand. In France it is closing down production in some sectors despite having enjoyed a monopoly. This is what is happening with the factory at Péage-de-Roussillon, the only one in France that produces acetates, and with the factory at Coussimoy that produces polynesian fibres; this is what is happening in the synthetic yarn and fibres sector: every year since 1970, Rhône-Poulenc has done away with 1 000 jobs in this sector; in the iron and steel industry, the Treasury tells us that Sacilor is to lay off a further 10 000 workers in addition to the 16 000 dismissals already planned; in the shipbuilding sector, the result of speculation by tanker owners during the period 1972-1974 has been that the Government is paying

**Goutmann**

the owners 1 000 million francs to reduce productive capacity by 20 % and dismiss 5 000 workers.

I could find similar examples in other Community countries. Speaking only yesterday, the chairman of the British Steel Corporation, announcing a plan for 15 000 redundancies in the steel industry, said that a total of 60 000 jobs would have to be done away with in the years ahead. The same thing, then, is happening — for similar policies produce similar effects — in Great Britain where the result of Labour administration has been to speed up economic recession whereas British-based international trusts continue to invest throughout the world. The same is happening in the Federal Republic of Germany, Belgium and other countries.

To this I must add that the various sectoral programmes adopted or proposed at European Community level compound the harmful effects of the policy pursued by each country individually. I am thinking of the plan for the steel industry, the plan for shipbuilding, the Commission's proposals for the textile sector and for chemical fibres. Is it not the true face of the Community's industrial policy that is beginning to emerge from behind the high-blown speeches and declarations on economic policy and the need for renewed integration? It is the policy of a surgeon cynically cutting into the industrial tissue of our countries, removing entire sectors without regard for the interests of the people and the independence of the countries of the Community. And it is in the name of solidarity and the common interest that the attempt is being made today to impose on the workers a remodelled industry designed to safeguard the large profits of the big multinationals whose redeployment is creating a new international division of labour that jeopardises our economic future. I was struck in Mr Ortoli's speech by the emphasis he placed on the problems of inflation and how little he gave to the problems of unemployment, how strongly he stressed the fact that there was no way of applying new remedies to a policy whose deleterious effects have been amply demonstrated. The simple reason is that the same policy is being stubbornly pursued.

In our view, however, unemployment is not inevitable, nor is inflation. But unemployment is part of the policy of austerity pursued in tandem by the states and big business. It shows how deep the crisis is in which the main capitalist countries are enmeshed. It points up the inconsistencies of a form of economic organization that seeks to mobilize productive forces in order to maintain the profits of monopolies but is incapable of meeting the most immediate requirements, beginning with that of work. If the right to work is embodied in the preamble to the French Constitution, it is because work is a vital requirement, without which man is less than himself and lacks the essential means of personal development. Can we say

that a society that accepts this for long is truly a democratic society? It most certainly cannot be, for in refusing the right to work it seriously encroaches on the freedom of the individual. We have no time for vain promises without the means needed to carry them out. In the autumn of 1975 we were the only voice in France to oppose the economic programme of Mr Giscard d'Estaing's last government, to claim that it would plunge the country into a crisis...

**President.** — Mrs Goutmann, you have devoted a considerable part of your speech to purely French problems. Could I ask you to concentrate on the matter in hand, that is the report by Lord Ardwick and the other two reports.

**Mrs Goutmann.** — ... I believe, Mr President, that today's debate is about unemployment and inflation. If I have spoken of France, it is because it offers a striking example of what I mean — although I also took the example of the United Kingdom — because it affects in any case all the countries of the Community and because there is a genuine need for action at Community level. I shall therefore return to what I was saying.

Any policy that sets out to eliminate unemployment cannot ignore those who are responsible for the policy of unemployment. Such a policy implies that the management of the largest undertakings, especially of the multinationals, should be given a new direction in order to maintain and increase industrial potential, to promote technical progress and to create the conditions for lasting economic growth that can gradually satisfy social requirements. In all the speeches I have heard, the talk has been about curbing and cutting back on economic growth. The new way towards a different sort of growth could be taken, particularly in France but also in other countries, by nationalizing enough sectors to allow the emergence of a new logic of economic development that guaranteed each country's independence and still encouraged international cooperation based on respect for all and mutual interest. That would be a genuine Community policy.

The Communist Party will go on fighting for a policy that strikes at the roots of the crisis and provides the means by which economic and social progress can be achieved. Unemployment may be repulsive in the extreme, but it is only one aspect of the general crisis in society, the deeper reasons for which are to be found in the organization of a system which places money and power in the hands of a minority. Unemployment is out of place in a society that claims to be free and democratic; the only way to eradicate it is through social change that takes democracy further than it has ever been, that sets out to give man not only bread but also freedom and the means of playing a responsible part in the process. Unfortunately, I find that the Community is stubbornly pursuing a policy

**Goutmann**

that has proved ineffective and detrimental to the workers and will lead to worse unemployment and inflation. What we need, Mr President, is something entirely different.

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

**Mr Stetter.** — (DK) Mr President, let me say first of all on behalf of my group that we welcome the Commission's report and Lord Ardwick's motion for a resolution. There is no doubt that it is much easier to describe the economic situation in the Communities than it is to lay down economic policy guidelines for 1978. But we feel that both the Commission and the committee's rapporteur have made some meaningful comments, although we recognize that the task was a difficult one.

The guidelines for an economic policy in the Communities depend to a large extent on world economic developments. There is not so much that this Parliament can do. The Commission has not much power and I doubt even whether our governments have. But we must try to stimulate activities in our countries as much as possible. The situation is obviously unsatisfactory. We may view the constant growth rate in for instance the USA and Japan with admiration but we still wonder how they manage to increase their growth rate by about 5 % year after year. We must admit that Europe as a whole is behind in developments in this area. I think I can say that our Member States all have a common goal. We all want increased economic growth but that must take place in the private sector. I do not exclude the possibility, Mr President, that some Member States can expand their public activities but I do know that many of our Member States have no such possibility and every effort must be made to increase growth in the private sector.

But already we meet with difficulties. Because throughout the Communities there is unused capacity in industry and shipping. There are also difficulties in the fishing and other industries. How can we solve this, how in a Community in which we already have unused capacity can we increase growth? We cannot do it by means of subsidies or the like. Managers do not allow themselves to be lured into taking plans out of their desk drawers and starting to put up new buildings or buy new machines because we provide about 10 or 15 % of the procurement costs. Investments are increased only if the managers really believe they can eventually sell the extra they produce. This is essential if we are to have economic growth. Here we have to work with very small margins, but we must obviously do what we can. There I agree with the Commission. Secondly, I believe we all want greater price stability

in our Member States. If I ask a housewife what distresses her most I think she would answer the same as the other members of the family: the sharp rise in inflation. Mr Schwörer discussed this point and told us that there is a difference of from 4 % to 18 % in the rate of inflation. It is obvious to everyone that this creates enormous difficulties for individual Member States as well as the Communities. But we must try to combat inflation which in reality means that we must keep costs down. The main contributing factor to costs is incomes. It is therefore imperative for the Communities and the Member States to take steps to keep incomes down. I emphasize incomes. It is not a question of implementing a wages policy but an incomes policy. Can anything be done? That depends mainly on our trade unions, our interest groups and our employee organizations. What will they demand of the Communities before agreeing to an incomes policy that keeps income and wage increases down to, for instance, 2 % a year? We don't know. I in any case cannot answer that question. But it is one of the questions that has to be asked, and we have to realize that if we are to solve the problems of the Communities' economic growth in coming years we must work together. Trade unions must learn to work with management, trade organizations must learn to cooperate with social organizations. The peoples of Europe must cooperate in solving the problems that have to be solved. The third objective we have set ourselves is to combat unemployment. It is quite unacceptable to have such widespread unemployment in a modern industrialized world such as present-day Europe. And the worst of all is youth unemployment. We see how young people go straight from schools and institutions into unemployment, become completely disillusioned and believe that the private economic society has outlived its day and is unable to solve the most basic problems. We have to tackle this problem and ask ourselves why we have youth unemployment. Are we educating our young people in the wrong way, is it that there are too many academics trained for posts in the public sector and that the public sector in our society cannot absorb more manpower? In any case it is impossible in many countries for these young, highly educated people to find employment in the public service and they therefore have to go over into business circles. I know many types of businesses that are just not prepared to accept these highly educated young people. These are gigantic problems and all we can do is ask questions that we cannot yet answer.

We have to agree that in the end there has to be an improvement in the average balance of payments of all our Member States. There are a couple of Member States that have a balance of payments surplus but the rest have a deficit. Many of them have such large deficits that they cannot live with them in the long run. They must try to reduce their borrowing, debts have to be paid off and their deficit increases year after year because they have to pay off large debts and interest rates incurred through loans. In other words there is plenty for us all to do in the future. These days each

**Stetter**

country is fighting alone against its problems. I would ask this Assembly to be realistic and realize that it is impossible at the present time to adopt uniform measures for obtaining these four objectives. It is impossible because each of our countries has an economic policy that is not commensurate with the policy of the next. We in the Conservative Group therefore welcome the speech made by the President of the Commission, Mr Roy Jenkins, in Florence. We realize that it has merely reopened the debate on economic and monetary union but it is essential to keep the debate alive and this Community will not make any economic progress as regards growth, price stability, combating unemployment or improving the balance of payments until it has reached that stage of its development where there can be a uniform economic policy.

**President.** — I call Lord Bruce.

**Lord Bruce of Donington.** — Mr President, before the time-clock begins to run against me, I wonder whether, with your permission, I can ask Mr Ortoli a question to which I have no doubt he would like to give an immediate reply. I have heard — it may be quite untrue — that tomorrow the Commission proposes to hold a press conference to issue a definitive statement on its position on economic and monetary union. This may or may not be so; if it is so, the question I wish to ask Mr Ortoli is: how does he square that situation with the professed desire of the President of the Commission, Mr Jenkins, to treat this Parliament, although not directly elected yet, as a directly-elected Parliament, and why, if there is a statement of this importance to be made, could it not have been made to Parliament today? It means that we are debating an issue which is already old, although in some parts it is new. We would like to have heard this statement today, before we started the debate. May I ask, Mr President, that Vice-President Ortoli reply?

**President.** — Since he is ready to give his reply, I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, may I reply to Lord Bruce. If, as I hope, he was present when I made my previous statement, he will doubtless have noted that I spoke of the problems of economic and monetary union and said that the European Council would have to deal with this matter, and that the Commission had adopted a certain number of guidelines. I therefore feel that I dealt with the problem he raises before he put his question.

Having said that, I would add that I do not know yet if the Commission will give a press conference tomorrow, for I have had very little time to discuss

certain matters with my colleagues and I have scarcely had any opportunity to think of my engagements for tomorrow. I meant to leave this evening but my chances seem slight. I therefore do not know what I shall be doing tomorrow.

**President.** — I call Lord Bruce.

**Lord Bruce of Donington.** — Well, Mr President, I am very grateful to Mr Ortoli for his reply. I would, however, like to reiterate the point that, in conformity with the announcement made by President Jenkins before, if a statement of that kind is to be made, it could and should be made to Parliament rather than to the Press.

Having said that, Mr President, I should like to go on to the debate itself. I listened very carefully to Mr Ortoli, who said that he conceived it to be the task of the Commission — and I took down his words — 'to devise a policy'. I could not agree with Mr Ortoli more. But then, what have they been doing? This is what they are there for! They come here with an economic report which, as my colleague Mr Glinne has already demonstrated, is gloomy enough, saying that the number of unemployed, for example, is about 6 000 000 and is expected to go on increasing, that there is going to be a rate of growth of under 1 % or thereabouts, that the balance of payments for the Community as a whole may well prove to be unbalanced, and with this report in mind the Commission say that their task is to 'devise a policy'. I willingly concede to the Commission that they cannot be expected to exercise control over the economic affairs of the Community. Quite clearly, these are very largely, although, as I shall show, not entirely, in the hands of the Member States. Indeed, the Commission acknowledges that, and in so doing, and in the process of the intellectual exercise of 'devising a policy', has in fact done little more in its report than to advise all the governments of all the Member States to continue with the policies they are pursuing at the moment. This must undoubtedly be very gratifying, but is it enough? Is that what the Commission is there for? Of course, they can intervene, and have intervened, in such marginal matters as training, providing new employment outlets in various and minor cases, and we are grateful that they have done this. But even after all they have done, they still cannot project into the future a more cheerful picture than they have done at the moment, because the control of economic policies is in the hands of the Member States — largely, but not, as I shall show, entirely, in the hands of the governments of Member States. Colleagues of mine may expostulate, and indeed argue with me, but I warn them not to, because my figures have a habit of being right on checking, when I say that at the moment

### Lord Bruce of Donington

— I do not know whether the Commission knows it or not — about 300 companies in Europe control over 50 % of its domestic product. This is another factor which the Commission has to take account of. It does not only have to take into account the monetary policies of the Member States, it has to take into account a separate power which is a law into itself, and the existence of which the Commissioner refuses to acknowledge. I refer not to the micro-economic sector but to the meso-economic sector, and the report of the Commission does not even bother to mention it. It is as though even the activities of private corporate power, so organized throughout Europe, has had absolutely no effect whatsoever on the economy of Europe, as though what it does in the future has no effect on the economy of Europe; it is a factor that they refuse, because of an intellectual blockage, to take account of.

We are, or should be, in the classic situation: we have the unique phenomenon in Europe of nearly 6 million unemployed and at the same time a high rate of inflation. This is against all the dictates of the classical economists; in theory it cannot happen, because when you get large-scale unemployment, you get a progressive deflation due to the exercise of free competition within a free-enterprise society, and eventually it corrects itself: this is at the basis of all classic economic thought. But this time it does not happen: instead of unemployment being accompanied by deflation, it is now accompanied by high inflation, and this is the intellectual problem that the Commission has to solve. Nor is it an academic one, Mr President: it is all very well for those of us here — Parliamentarians, economists, whatever we may be — to talk of unemployment in terms of digits and percentages. The unemployed people themselves in Europe are not digits, are not percentages, they are human people trying to live their lives within the constraints of such freedom as they have, and they have to be regarded as such. Do the Commission really think that the political stability of the democracies in Europe can be sustained with unemployment continuing at its existing rate? Do they think society's institutions will stand the strain? Are they not aware of the growth of unrest, of terrorism, of vandalism, hooliganism, and every other expression of unrest in Europe at the moment? Are they not sensitive to these things? Of course they are, because they are human beings like everybody else, and Vice-President Ortoli in particular is a most kindly man. But we ourselves have to view it in that light. Can we tolerate this situation? No, we can only tolerate it, I would suggest, if it is inescapable. This is the question we have to ask ourselves: is there no solution to the problem? The ancient postulates of classic economy assumed that precisely because the consumer is sovereign, prices are ultimately bound to drop to their competitive level, to levels determined by the individual consumer, and if the individual consumer is deprived of income, then sooner or later prices will have to go down in order that stocks can be disposed of. This is the classic

theory of the consumer domination of a competitive market. But in fact what we have witnessed over the last fifteen years is the progressive growth of a producer domination of price-levels, a producer domination of the level at which goods are sold, and we are also in the presence of a producer-initiated inflation. This has been well proved; I have mentioned it many times before, and I mention it again, and I am baying at the moon, in spite of the promises of the Commission. For two years now, the Commission has had lying on its desk a report which it commissioned itself on the causes of inflation. It is called the Maldague Report, and it is in two parts. So far, despite promises from successive Commissioners, including Viscount Davignon, the Commission have not yet published their own definitive attitude upon it, and at the moment show no signs of doing so. Yet this is of the utmost importance, because what the Maldague Report shows, and what is to some extent fortified by the Sixth Report on Competition, is that where you get a degree of concentration the divergence of prices from the lower levels to the higher levels is at its greatest. It is no coincidence, Mr President, that the country which has one of the highest levels of inflation of the lot, the United Kingdom, the country which I represent as a delegate, has the highest rate of inflation and has also the highest degree of meso-economic power within its borders.

Mr President, I do not ask the Commission to accept my views on this subject: that they will do sooner or later I have not the slightest doubt, but the question is time. Until the Commission apprises itself of the existence and significance of meso-economic power and its effects upon inflation, there will be no resolution of this basic difficulty that lies behind our discussions this afternoon.

Mr Ortoli said that they have to — I took his words down — 'define a policy'. They could in fact be a 'think-tank'. They have already asked Parliament and Parliament has agreed — and I hope the Council will agree — to have founded an institute of economic research and analysis. I do not know whether it is going to be founded; but when they get it I implore them to use it. But, above all, I implore them to get out of this wretched rut of dismissing any theory, any idea, that does not fit in with the classic theory. I implore them not to assume that, apart from certain actions brought in the Court of Justice, they are living in a competitive society, in a competitive economy in Europe; they are not. They are living in the presence, not only of firms competing, one against the other, over quite wide sectors, and particularly so in Germany, which obey the ordinary laws of economics that they understand; they are living in the presence, as I say, of 300 and more companies responsible to no one, the meso-economic sector, of which they now have to take account, and I ask that they do this. That is all I ask them to do. They cannot do any more.



### Lord Bruce of Donington

They cannot control events: events are controlled by the Member States, who control the levers of monetary policy. But if the Commission were to take the initiative, were to take a cool, hard look at the individual economies, bearing in mind the points that I have made, and which have been made by leading economists now for fifteen years without anybody paying attention to them, they would be doing a very great service to Europe, because then a discussion could take place in an atmosphere of realism.

We can say, then, as Europeans, we are in the presence of a mixed economy. We are in the presence of a series of mixed economies, in which there are certain sectors conducted by the state, in which there is a very wide sector conducted by small competitive private enterprise — the micro-economic sector — and also operating there is the meso-economic sector comprising those large firms which at the moment are responsible to no one but themselves and who can, by their very actions, influence not only the flow of money, both hot and cold, from state to state, they can have a profound effect on the balance of payments of individual Member States by the movement of money by leads and lags in settling their accounts.

At the moment, they have an even greater effect too. There are companies in Europe which are in fact importing unemployment to Europe in this way. There are companies in Europe with subsidiaries in the developing countries, and there are some 12 000 of such affiliates in these various developing countries with their head offices in Europe. In labour-intensive industries, they are employing people at one-eighth and one-tenth of the wages paid in Europe, and they are importing their stuff into Europe after transfer-pricing in order to avoid being suspected of dumping. This is what is happening now under our very eyes.

It is not, Mr Ortoli, that these facts are unknown. They have been openly discussed in the learned economic journals now for fifteen years. It is high time they percolated to the Commission; it is high time that there was a fresh think. This is all we ask of the Commission: fresh think, and then the determination and publication of their policy.

**President.** — I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, I should like to say a few words in reply to Lord Bruce, beginning with the first question he raised. Earlier on, I spoke of our views on economic and monetary union because I had just come from a meeting of the Commission at which we discussed those problems and I felt that I ought to say something on the subject to this House. I explained to you in broad outline what we were doing and I want to make it clear now that we are keeping to the line that we had announced.

Secondly, I cannot accept the remark that we are indifferent to the problems of unemployment. Although I do not care much for personal remarks, I would point out that I have children of my own and that I am concerned for their future. I am concerned not as a bourgeois nor as a millionaire but simply as a father who expects his children to earn a living. It is just as important for me as for anyone else. If, as a general rule, I am not given to effusive declarations on the subject, I wage a daily struggle to secure for our children both a job and a satisfactory and happy life in the times that lie ahead. Let no one say that we are indifferent technocrats. A good part of my life is spent in the service of those I love and I hope that their future will be a bright one.

Another thing I cannot is that our documents should be dismissed as devoid of interest. You propose a general discussion and you tell us to take the problem of 300 companies in Europe, the problems of the economy and social problems. I do not say that there are no problems of competition in this sector and I personally am convinced that we shall have to face up to them. But I would also tell you that there are other problems. How glad I would be if you were right and if a discussion and political power alone could solve all the problems we are faced with at a stroke! Unfortunately I do not think that this is the case and I told you myself, with reference to the reports which you referred to, that I was prepared to come and talk with you in committee and if Parliament so decided, in this House itself. I have never refused to do so. I have said that when the committees asked me to come and discuss a series of problems, I was quite prepared to do so. Consequently, I cannot accept either your charge that I am shunning the problem.

I believe that competition is part of the explanation but I also feel, Lord Bruce, that we are faced with profound structural changes that are largely independent of the phenomenon you referred to. Listening to what the members of this House had to say, I got the impression that I was not the only one to have this feeling. And I apprehend those structural changes, for some aspects of them worry me, but I am ready to combat them and try to find the right answers.

Furthermore, there are not just 300 companies, there are 250 million consumers. The schema you submit largely overlooks demand. And one of our problems at the present time is to rediscover some sort of confidence in the market for we have the funds required for recovery. Why do those savings stay where they are? Do you think that it is simply because there are 300 companies that control 50% of the market? Part of the reason is that we are faced with many problems that are more difficult to solve than a simple assessment of the phenomena of competition. And so, Lord Bruce, let no one say that we are proposing nothing. Do not ask me for a policy for I await the debate on



## Ortoli

the policy we propose. Do you think that we sat down and looked to see whether the figures we came up with and the employment figures that followed from them were satisfactory? What we have been saying for a number of months now is that we do not approve. I consider that it is time to act and I believe that there is room for manoeuvre, so let us get together and make the most of it. This is what our report means. When we speak of a voluntary policy, when we say that we must go beyond what the economy itself could provide and mobilize the full resources we have available within the limits that are imposed on us, Lord Bruce, then I am not sure that we are very far from the political language that you yourself would use.

**President.** — I call Mr Müller-Hermann.

**Mr Müller-Hermann.** — (D) Mr President, I am really quite glad to be given the floor at this stage of the proceedings. The debate, I am glad to say, is not tailing off into pious declarations but is bringing us closer to what are the central problems of our Community. Pious declarations serve absolutely no purpose when such a point is reached; we must be absolutely clear in our own minds about causes and effects and, as politicians, we must have the courage to explain them to our fellow citizens. It has taken quite some time for the relationship between inflation and unemployment to come home to the public but it has now been done.

I am sorely tempted to say one or two things in reply to Lord Bruce. I agree with him that there is also a relationship between inflation, unemployment and competition. But, like Mr Ortoli, I strongly disagree that the power of the producers is the decisive factor on the market. The last word here still lies with our consumers. If producers have too much weight or too much power in individual countries, I see this as a proof that they are not pursuing a consistent enough competition policy. Perhaps I could mention my own country in this connection; the Federal Republic of Germany has a fairly low inflation rate. That surely has something to do with the fact that we follow quite a strict competition policy and have provided ourselves with extremely powerful means of intervening to prevent mergers and concentrations.

In saying this, I wish to make one basic point. What I think we must do now, Mr Ortoli, is to make sure that the public is also made aware of the relationship between the unemployment problem, our international competitiveness and the excessive pressure on costs in the Community. I am grateful that several speakers broached the subject of the cost burden so candidly and I too markets like to stress that it is not simply a matter of wage costs. The cost burden as a whole is so heavy that we can only maintain our competitive position on international markets if we offset the high level of costs by maximum produc-

tivity and in this respect we are unfortunately quite some way behind other industrial countries such as the United States or Japan. As far as productivity is concerned, we are neither up with the times nor up to the opportunities available to us. I believe that this was one of the things that Mr Ortoli was hinting at, namely that we must not stabilize the obsolete structures in our Community but must take advantage of our high standard of living and our high social standard — which we of course wish to preserve — to neutralize the effects of high costs by producing to a markedly high standard and by applying the most up-to-date technologies.

If the additional instruments that you, Mr Ortoli, or the Commission propose to deal with structural problems are intended to tackle this particular problem, then you have our full support. We must overcome the problem of obsolete structures and production methods in our countries but the process of adjustment must not drag on too long.

This brings me to my second point and to an area where I am genuinely and seriously concerned about what looks like happening or is already happening. I would ask you, Mr Ortoli, to reflect in the Commission on whether we are really doing the right thing in holding up and delaying this restructuring process by taking increasingly protectionist measures. I can hardly stress this point too much. We admittedly need some sort of transitional period in order to bring about those structural improvements in society without having to make social sacrifices but I have serious doubts when I hear the Commission and also the various governments say that the answer to the problems of the economy and unemployment now lies in protectionist measures. I wish to sound a clear warning on this point for I do not believe that we in Europe will find ourselves in the stronger position if we begin taking protectionist measures and thereby give others cause to take protectionist measures in their turn. That will not work, ladies and gentlemen, and I believe that we must make it perfectly clear to the people that all of the Member States must make an effort to export more but we cannot say to the countries that take our exports 'open up your markets, we wish to export more, but you are such dangerous competitors that we must protect ourselves'. To my mind, the only answer is to open up and adjust ourselves to new world markets and to develop sufficient purchasing power in the countries concerned that they can buy our products. This of course involves a difficult process of adjustment but we should not take the line of least resistance and argue that it will solve our problems simply because, in one country or another, elections are just around the corner. We cannot just export machinery to the so-called developing or low-cost countries and tell them that we are not prepared to buy what the machinery will produce. In view of what is being said and — I am thinking of the negotiations on the

## Müller-Hermann

multifibre agreement — perhaps also done at the present time, I fear that the Community is running the risk of jeopardizing its own credibility with the so-called third world and those countries with which we wish to increase our trade in the future. A short-sighted and inconsistent policy on those lines would backfire on us sooner rather than later and I would repeat that, when it comes to developing trade relations, we as a strong economic region will not necessarily find ourselves in a stronger position if, because we are too lazy or not properly willing to make adjustments, we attempt to pursue a policy of protectionism.

And it is here, Mr Ortoli — and I would ask you to convey this to Mr Jenkins — that the Commission has a leading role to play. It is too easy to take the easy way out but the easy way is a dangerous one for which we should have to pay the price, and if I said earlier on that it has taken a long time to create something of a public awareness of certain dangers, I would now ask you to work in cooperation with the national governments and with the support of this Parliament to ensure that the public is made properly aware of the world-wide problems that arise from a new international division of labour and that we can therefore draw the proper conclusions. In the last analysis, the only proper conclusions are that we must not relax our efforts and become too complacent or demanding, but that we must adjust our thinking so that we can claim our share of jobs in a new international division of labour. This is neither an easy nor a comfortable path but it is precisely the one that we must point out clearly to our employers and workers; as I said before, this is first and foremost a political task for the parties, the groups in this Parliament, for the national governments and also for the Commission and I would call on all of them to take this task in hand.

**President.** — I call Mr Nolan.

**Mr Nolan.** — Mr President, there are a number of clichés that are commonly used when speaking of many of our economic problems. Take unemployment or low sales or any such problems; we always hear that they are due to the oil crisis. When we mention unemployment, we also claim that the baby boom of the late fifties and early sixties created the large number of unemployed we have, not only within the Community but all over the world. I am not being pessimistic, as some other speakers were. I believe that there can be a partial solution to many of these problems. I also believe that the institutions of the Community — the Council, the Commission and indeed this Parliament — by their voices and by their work are doing everything that is humanly possible to improve the Community.

When we consider, for example, the common agricultural policy, which is the cornerstone of the Community, we find that over the past few years there has been what is commonly referred to as a flight from

the land. One of the reasons for this flight from the land is the fact that farm workers in general were low-paid workers. They went to take up employment in other more remunerative fields, with the result that more modern farm machinery was developed and employment on the land declined. In industry we have incentive bonuses to industrialists who take on new workers in many Member States. If we are to try to stop this flight from the land, which is increasing the unemployment situation within the Community, I think that these incentive bonuses should also be given to agricultural workers or to farmers who employ them.

I was very glad to hear Mr Ortoli referring to this major problem of youth unemployment. He said a few minutes ago that he had a family of his own and was worried about them. I also have a family and I would be worried about their future.

We, as Parliamentarians, together with the Members of the Commission and the Council, are all very concerned about this serious problem of youth unemployment. If we take the current issue of *Time* magazine, dated 14 November, we find on the cover the word 'Europe's Shut-Out Youth'. It might be advisable for all of us to read that with interest, because it is an article that, to me anyway, shows that whoever wrote it certainly did a considerable amount of research. The lead is headed 'The Shut-Out Generation'. The subheading is 'More bewildered than belligerent, they expected better'. A good statement!

I am going to put on the record of this House just two paragraphs from that article in *Time* magazine. This is how they seem to see it:

Some of them are saying so with a fresh and sometimes violent anger, but most of them are quiet. Except amongst extremist fringes, the voices of European youth have rarely been more uncertain and muted with fear. More bewildered than belligerent, the young feel isolated and at odds with a society that reared them for a different world. They find their education irrelevant and the few available jobs dull and badly paid. They were led to expect more. Mr Tindemans says: 'Young Europeans grew up in peace and prosperity, thinking a growing economy would make everything possible. Now that the squeeze has come, they feel frustrated.'

A further quote from the same article:

Instead of protesting, many appear resigned and fatalistic. Above all the young are demoralized by joblessness. There are more than 2 million unemployed Europeans under 25, and they account for about 40% of the European Community's 6 million who are out of work. If there is a name for this age group, it is the shut-out generation. The question is: how long will they wait patiently at the door?

Mr President, I am not going to delay the House at this late hour. But that last sentence is worth repeating, and I will repeat it. How long will the youth of Europe, the youth of the world, wait patiently at the door in the present circumstances?

**President.** — I call Mrs Dahlerup.

**Mrs Dahlerup.** — (DK) Mr President, I cannot but congratulate Lord Ardwick for his report. It has been an exceptionally difficult job and I think he is to be congratulated for his work.

The speakers before me have spoken for their families and for Europe. I too have a family; I could speak for my children's future, for my grandchildren's future, for an even larger family than many of those still in this Chamber have, I could speak for my sisters in Europe. Point 9 of Lord Ardwick's motion for a resolution recognizes that sustained economic growth is vital if unemployment is to be reduced. No one could disagree with that view. But we could just as easily turn it round and say that to have sustained economic growth in Europe we must have work well done. Some of our countries have only one resource they can rely on if they are to restore the economic balance and that is hands, clever hands. And whose hands were they that helped us to build up Europe's economy? Whose hands helped to bring about prosperity in Europe in the 60's? Who occupied the essential jobs in the new and expanding industries? It wasn't the men because in most of our countries they were already working. It was the women, usually underpaid, that provided the elbow-grease. And now it is the women of Europe that are left holding the baby, because they were wrongly regarded as a reserve labour force that could be shoved in and out of the labour market depending on whether the economic trends were favourable or unfavourable. I strongly warn against anyone thinking of that as a possibility now or in the future. Women must under no circumstances be regarded as a reserve. And I have another warning to give. I thoroughly endorse the view put forward by the Commission and in the report that the work should perhaps be shared between us. There is talk of early retirement and of reducing working hours. I strongly warn against anyone starting to play with the idea that women should be encouraged to do less work than men so that they again end up in a precarious situation. Women have experienced economic freedom and no one should take that from them. The Commission will have to use its imagination to the full. Women helped to bring about economic and social progress in our countries and have ended up as a huge vulnerable group, certainly the most vulnerable group in our countries, because we did not treat them with the justice commensurate with their contribution towards building up Europe's economy. They are vulnerable because we did not treat them with any justice. Today there are more than 2 million unemployed women in our countries. There are many times that number that never managed to find employment before the slump set in. There are fine words in Lord Ardwick's report about vocational training and retraining, improved employment exchanges, examination of the effectiveness of job creation measures and so on. All that is due to the women of Europe. What makes women the vulnerable group

in the present situation? Precisely the fact that we used their manpower but did not give them either the opportunity to become strong enough or the necessary education. If we are to restore the balance in Europe's economy, we must regard women as an integral and vital element in our national economies. And we have a lot to do to solve the problem. We must lay down rates that will restore women's awareness of their own values and make them understand that the labour market is as much theirs as it is men's.

We must impress on all the responsible authorities, unemployment offices, labour exchanges and schools that train people for the labour market that they must ensure that women are offered the same as men. If we are to keep women competitive we must introduce employment measures directed at them alone. And if we are to get rid of that blight in our system, our traditional attitudes to men's and women's jobs, we must train the leaders so that they can help to get rid of sex discrimination on the labour market and instead concentrate on assessing people's qualifications and providing people with qualifications.

In order to show clearly that both the Commission and we in Parliament are aware of the situation, we must add something to point 9 of Lord Ardwick's report. It says all that has to be done for young people and I think that for the sake of clarity we should add after 'and women' 'young people' so that there is no doubt.

I regard women's present situation as a blemish on democracy in Europe.

**President.** — I call Mr Pisoni.

**Mr Pisoni.** — (I) Mr President, I shall try to leave part of my speaking time to the chairman of the Committee on Social Affairs and I shall limit myself to a few observations on the report on the economic situation and a single remark on the Tripartite Conference.

After reading the Commission's report, one is left with a feeling of uncertainty because, in spite of Mr Ortoli's speech, it is difficult to discern a clear line of orientation for the economic policies of the individual Member States. The analyses are precise and quite simple. What one cannot find, however, is any link between the forecasts and the final results.

The Commission's report indicates certain objectives which, if they were reached, might produce enough economic growth to mop up unemployment. This is, however, only a theory since we have not in fact had the predicted growth and consequently the numbers of unemployed have risen. Looking at the report now and reading between the lines, one is dismayed because it seems to say that the rate of expansion necessary to reduce unemployment will not be reached.

### Pisoni

And so, in addition to a statement of some fairly clear objectives, there is also an awareness that these objectives cannot be attained and hence, unfortunately, one has to recognize that not only will unemployment not diminish, it will in fact increase. This is what can be gained from a careful reading of the Commission's own report; however, we cannot accept a failure in economic expansion because this will mean an increase in unemployment.

One direct consequence of this is that the report has given much emphasis to the fight against inflation; it gives less attention to the worry that the fight against inflation will cause a slowing down in growth.

Germany will have 4% inflation, Italy has 18%. We know however that if Germany was less preoccupied with fighting inflation and gave a boost to home demand, the number of unemployed would probably go down and the other Member States would probably follow its example. This preoccupation with inflation is holding back investment and also the expansion of home demand thus causing a considerable increase in unemployment.

Italy has followed a policy of austerity and has succeeded in bringing its own balance of payments back into the black. This means that the expected growth of 3.5% will not take place. It will perhaps come down to 2.6 to 2.8%. This slower growth will mean increased unemployment affecting some 200 to 300 thousand workers. One must therefore ask oneself the question whether bringing the balance of payments into the black is such an important objective that it justifies such a great sacrifice. This does not mean to say that the objective was not a praiseworthy one; it must however be pursued in the context of other policies and not in isolation, if we are to avoid such serious repercussions.

It is for this reason that, at the present time, I would lay emphasis on our capacity to expand, even if it is necessary to bear the cost of inflation which in any case will be less than the cost of unemployment.

If the unemployment which at present is running at 6 million reaches 8 million — which already seems likely because the growth rates predicted by the Commission will not happen — it will become unbearable.

I should now like to make a remark about the Tripartite Conference dealt with in the Santer report. Let us be clear about this: the Tripartite Conference failed not because they could not reach agreement on the wording of a final joint document, but because it was impossible to attain the objectives set by the first Tripartite Conference. The Commission's report states that the Member States followed the policies which had been indicated as suitable; faced with the deterioration of the situation one is more inclined to believe that these policies were inadequate.

Finally, I should like to make some suggestions to the Commission. We could, for example, take action to make manual work more rewarding for the people engaged in it. We are at the moment discussing a directive concerning illegal immigrants who take jobs which our workers will not touch. If we restore greater dignity to this type of manual work, we shall be able to employ several millions of people in this sector. In addition, we have to study the viability of measures designed to reduce working hours in order to increase the number of jobs available and reduce unemployment in this way.

### IN THE CHAIR: MR LÜCKER

#### *Vice-President*

**President.** — I call Mr Hoffmann.

**Mr Hoffmann.** — (*D*) Mr President, I should like to take up the points made by Mr Ortoli in his intervention. Clearly no one in this House would wish to suggest that you did not have the required commitment to combating unemployment. Indeed, I don't think that is the problem under discussion; it is simply, what policies are available to reach this objective? What we should not be doing, therefore, is indulging in mutual recrimination about taking the problem seriously; we should be having a political discussion on what those different approaches look like. I should therefore like briefly to explain why I do not consider the policy put forward by the Commission to be correct in all respects.

First point: this paper which you have produced is a markedly liberal-conservative interpretation of economic policy. For instance, in the general part of your report it says in point 1.3, and I quote:

This disappointing performance is accounted for by the inadequacy of the feedback effect and growth diffusion which were features of preceding cyclical recovery phases.

That looks to me like a liberal pipe-dream. You have this theory that somehow the economy will get going again if only it is given the right impetus. When it doesn't work you look at the results and say, Good gracious me, what have we been and done? It doesn't work! So, one might ask, how does this alternative concept look now? On this the paper has nothing to say, but comes down yet again in the predictable way in favour of global growth as the solution to all our problems.

And certain speakers have been harping on the theme: if we have 4.5 5.5 or 6% growth, these problems can be resolved as well. That seems to me a naïve attitude to take.

If, for instance, you take a look at these growth rates you soon realize that if productivity rises faster than the growth rate given here you may not have any positive effect on employment at all, for then neither 4.5,

**Hoffmann**

5 nor even 6 % will be enough ; you must obviously look at it in connection with productivity and total working hours ; if you do not, the policy has no meaning. Nor do these growth rates say anything whatever about the quality of such growth, for you may, to give an extreme example, cause substantial pollution which you then have to redress, and this remedial work is duly included as a positive contribution to gross domestic product. That gives you growth all right, but a mad kind of growth. As far as I am concerned, it is not enough to say as an alternative, we need more growth.

Secondly, this document is pervaded by an attitude which I cannot accept, namely by the question of who is responsible for all this. If you read the paper again at your leisure, the following points emerge. First, bureaucracies don't really work very well, a point repeated later in the national section. Second, wage-earners have created an excessive wage cost element ; and only in third place do you come to the role of capital, with the coy suggestion that the investment trend is perhaps not quite what it should be. In my view this is turning things upside down. The order should read somewhat differently, and one can only wonder what the investment trend must really be when one knows, for instance, that very large potential is available in certain economic sectors, so that the funds are by no means lacking.

This conservative interpretation which you have sustained in the general section is pursued in the context of what you choose to call the normative economic scenario for the individual countries.

If I may take just two examples, first the one which you give for the Federal Republic of Germany on pages 16 and 17, and then what you say about France on pages 18 and 19. On Germany, you identify the spurt in the upward wage cost movement as the main cause of deterioration in the economic climate. If that is your main comment, I would ask you to compare it with the corresponding figures for the increase in company profits ; perhaps you will then reach a different conclusion.

A second point — again I quote : implementation of the local authority budgets made no net contribution to economic activity. I would dispute that too ; on the contrary, I would say that the contribution made by public sector budgets was first and foremost to prevent any further worsening of the economy.

You then say that 4 1/2 % growth should eliminate unemployment. I have already pointed out that this cannot be left as it stands, but must be compared with the corresponding rate of productivity ; then you will reach a more realistic conclusion. Finally, you go on to say that growth and investment is being obstructed by delays in road-building projects. Well, with respect, I find that very wide of the mark, for it certainly cannot be demonstrated just like that.

I now come to the second example, of France. If I may just say why I am mentioning this, I feel we have

reached the point in this debate where we can consider a sort of European domestic policy, and where it should therefore be permitted to take a look at the situation in another Member State. Here too strong pressure on wage rises is advocated. Three quarters of this text is concerned with the development of prices, wages, monetary and credit policies. There is practically nothing on combating unemployment, with one exception : mention is made of additional measures by the French Government to expand the hiring of young people. At bottom, however, what's going on there is a confidence trick, because the statistics are being manipulated by taking on young people in short-term jobs, in which not even the full social security contributions are paid. This is clear from any statement made by the three big trade unions on French domestic policy.

I therefore have the impression that the deficiency of this proposal lies in the fact that it provides a much too conservative interpretation of each country's economic policy and too little thought has been given, for instance, to the contributions made by the trade unions.

Now to my last point. Mr Ortoli has spoken of the need for clear vision and the convergence of national economic policies. So perhaps I might ask, what does convergence of national economic policies mean ? What are they converging into ? Is it just a question of concertation, or should that concertation take a specific direction ? Not that I can see any evidence of this, for specific economic policy guidelines would have had to be provided. So does convergence mean state subsidies for each nation's steel industry — to mention one sector in the current crisis ? Does it mean subsidizing to the point of absolute competition between subsidies, as is happening at the moment ? Or is convergence policy what you get from survival of the fittest ? Must you not agree that the concept of economic policy which has been pursued hitherto can in principle neither cope with the structural crisis nor effectively combat structural unemployment ? I have the impression that this is so and that the emphasis has been laid on the wrong areas. For instance, I have the impression that in the event of acute structural crisis, the funds made available by the Commission are much more frequently used for the technological sector than, say, to absorb unemployment. I would ask the Commission to show us the figures. How much money has in fact been provided for the technological restructuring of the steel sector and how much for absorbing unemployment in that area ? This will show that there is an imbalance here.

To sum up, it is my opinion that the position of the trade unions must be taken into account much more fully in planning the future path of economic policy. We shall not hesitate, when there are specific debates on the structural crisis, to come back to what we would propose as alternative lines of approach. If I

**Hoffmann**

may just mention one, it seems to me absolutely impossible to avoid including a general reduction in working hours in economic policy guidelines when six million people are unemployed. That is one of the points on which we can see that the arguments put forward by the trade unions have not been adequately taken into account.

**President.** — I call Mr Van der Gun.

**Mr Van der Gun.** — (NL) Mr President, as I understand it I have some ten or twelve minutes' speaking time at my disposal. However, I shall not even need that much since I have only a couple of remarks to make and since most of what can usefully be said about the Tripartite Conference has already been said.

One of the most important issues in this context was mentioned by the previous speaker, namely relations between the government on the one hand and the two sides of industry, i.e. the trade unions and the employers' organizations, on the other. The times when a government or an institution such as the European Economic Community could lay down a policy alone are past. We shall have to accept that it is necessary to establish the best possible relations between the national authorities and the two sides of industry.

I had intended going into some detail on this point which, in my view, reflects a situation common to all Western democracies at the moment. However, in view of the lack of time, I would merely say that I wholeheartedly approve the principle of a tripartite conference on these grounds.

I welcome the concept behind this conference, even though it does seem to be lacking in substance. I attended that of 1976 as chairman of the Committee on Social Affairs, Employment and Education, and also that of 1977. I am bound to say that the 1976 one made a far more favourable impression on me than the last one, not because we came anywhere near achieving our objectives at that time — which was neither the Commission's nor industry's fault, but merely due to economic developments — but because there was a willingness to tackle things together, a common approach on the basis of which we could really achieve something. And certain results were in fact achieved.

This time, however, a tremendous number of entirely unconnected speeches were held. Nobody spoke in reply to anyone else and so there was virtually no dialogue at all. For me the most revealing thing was the fact that both the governments and the employers' and employees' representatives said that they had not expected any more from the conference. This I feel is a very negative approach to what in itself is a very desirable institution. But with 5 or 6 million unemployed, we cannot afford to organize such a conference only to achieve so little. Commissioner Vredeling

made a valuable contribution with his speech in which he announced a number of studies to remedy the employment situation, which I shall not enumerate here, but if we consider the conference from the point of view of the government representatives and employers' and employees' representatives, we are struck by the total lack of cohesion which characterized it. And yet the Tripartite Conference as such is a good thing; we must continue along this path, and the next time come better prepared, with concrete proposals to be followed up by practical measures after the conference. I must say I was slightly alarmed when the English chairman of the conference, Mr Healy, announced in his closing speech that there was obviously a need for such a tripartite conference and that another one would be held in the near future, and certainly next year.

I feel this is not the right approach. We should hold this conference if it produces results, not just for the sake of the conference itself.

We must also realize that, generally speaking, a tripartite conference can be extremely useful, but that to implement any decisions taken in this context, consultation within the different branches and sectors of industry is essential. It is there that such factors as employment, investment and working conditions count and, as Commissioner Vredeling rightly pointed out at the Tripartite Conference, they cannot be dissociated from one another. One cannot adjust investments and at the same time disregard wages. These factors must be discussed jointly but this cannot be done at a tripartite conference.

For this consultations must be organized at industrial level. I should therefore like to ask the Commission in what light these problems should be considered. Member States carry out purely national structural surveys in the different branches of industry, but there is precious little coordination at European level. I think that this is where we need a forum; it must be possible to establish joint consultation in each branch and sector of industry. When we raised this matter in the past, the Commission replied that neither the employees nor the employers were particularly enthusiastic about the idea of joint committees.

But now we are facing a really serious situation, and the Commission could usefully make the same proposals again. And even if they were not accepted, we would at least know just who was rejecting this joint approach at industrial level. Then we would know where we stood. Although we are all more or less convinced of the usefulness of and the need for joint consultation, very little has been done until now to implement this conviction. I would therefore urge the Commission to concentrate its efforts soon on the possibility of joint consultation in each sector.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (NL) Mr President, when my colleague Mr Ortoli and I split our work in this Parliament up between us, it was agreed that the tripartite conference would be my subject, and I was interested to hear what the honourable Members had to say on the subject. One of the great advantages of speaking at the end of such a debate is the fact that most of what you say goes uncontested. There are a few things which have been said in this debate which I would not, however, like to let pass unchallenged. Lord Bruce, who shares my political convictions, uttered a half-truth when he drew attention to the dominant position of the 300 multinationals, the big companies which in his view hold too much economic power. But this was only half the truth: just imagine what would happen if we were to nationalize all these 300 undertakings tomorrow. Would that solve our problems? Would that save Europe? No, for we would merely have nationalized, but not 'Europeized'.

Our problem is not so much the 300 multinationals, but the fact that we ourselves are simply not capable, because of our nationalistic outlook, of controlling and imposing rules on these 300 undertakings. If we were able to at last introduce the European *société anonyme* with its system of co-determination, the proposal for which has been before the Council for years, I think our prospects would improve to the extent where they might satisfy Lord Bruce, because we should then have a structure which would allow us to tackle matters according to his ideas, which do not in fact differ much from mine. This is why I said he spoke only half the truth. I hope that he agrees with my other half of the truth.

Now as regards the tripartite conference, I see from Mr Santer's report on behalf of the Social Affairs Committee and from Lord Ardwick's report that there is considerable criticism of the last tripartite conference.

I am bound to admit to you that the Commission fully understands this criticism. The conference was in fact convened very late in the day. The European Council only decided to organize it in March or April, and it was held already in June. Thus very little time was available to prepare it. I myself did everything I could to bring the social partners together behind the scenes, since it would not have been possible otherwise. That the chairman of the conference, Mr Healy, should have drawn certain interesting conclusions, to which I shall return later, was due to the fact that the social partners met at management and not administrative level, in the presence of the direct representatives of the Council and Commission and the chairmen of UNICE and the European Trade Union Federation. That is why Mr Healy drew certain conclusions in Luxembourg.

And what in fact was achieved? I will admit that I too noticed that there was virtually no dialogue during the

meeting. But the participants did at least agree to discuss a number of not unimportant issues. It was decided, for instance, to discuss at European level, i.e. between the Council, the European trade unions and European employers' associations, the question of worksharing.

The Commission has already been instructed to study the matter. I am happy to inform Parliament that after consulting with the European employers' and employees' organizations, it was decided that this question of worksharing should be examined in the Standing Committee on Employment, which is to discuss the matter next February on the basis of a Commission document.

The same goes for the question of employment, the creation of employment in the tertiary sector, and in particular the public sector. This is also due to be discussed on the basis of a Commission document sometime next year, I think perhaps in April, in the Standing Committee on Employment.

The other subjects, which fall more within my colleague Mr Ortoli's terms of reference, such as the international division of labour and, because of the new situation brought about by the developing countries, the need for a restructuring of our industry and services sector, will be discussed in the Economic Policy Committee, together with the consequences for employment. That committee intends to meet with employers' and employees' representatives with a view to preparing a tripartite conference to be held later.

Much has been said today about the relation between investment in employment and economic growth. Mr Hoffmann has just asked what we should do about our slow economic growth, which is likely nowhere near as spectacular as that experienced in the 60's. We must be selective in our investments, and exploit this growth selectively. The Germans speak of 'ein humanes Wachstum', the French of a 'croissance qualitative'. These expressions all mean basically the same thing. We must be more sparing with our investments. We can no longer, as in the '60s, afford to let investments be guided by the free interplay of economic forces. This is no longer possible in view of the current level of unemployment and the need to remedy the situation. This is why the Commission feels that the main investment effort should be directed towards the energy sector and certain other sectors to be selected in consultation with the social partners. In practice we are already moving in that direction.

Thus all these things are already in hand and the Commission, in cooperation with the social partners, will see to it that by the middle of next year there highly important issues will be discussed between employers and employees with a view to reaching certain decisions at labour and management level.



### Vredeling

We cannot make any promises, but we do have hopes that, with a better preparation than for the previous tripartite conference, with the participation of both the Standing Committee on Employment, in which the Council is represented by the Ministers of Social Affairs, and in which employers, employees and other groups are also represented, and the Economic Policy Committee, it will indeed be possible to achieve a dialogue. Can you imagine a meeting between employers' and employees' representatives at which the principle of worksharing and possibly also of shorter working hours was to be discussed not leading to a dialogue? I believe this is an excellent opportunity to get the dialogue for which we have all been waiting underway.

Another problem is that of unemployment among young people and women. I particularly wish to inform Mrs Dahlerup that immediately after the European Council of July, we submitted a proposal for professional training which takes more account of the readjustment problems experienced by women over 25. The proposal is currently before the Council and I hope that the latter will be able to reach a decision sometime next month. The prospects at the moment appear not too unfavourable.

We had an extensive debate concerning young people in the Social Committee at the end of August. This yielded one positive result in that the Council of Ministers for Social Affairs invited that committee on the basis of our memorandum to submit practical proposals for the creation of employment for young people, concentrating not only on theoretical professional training but also on practical training in industry. The Commission was also asked to submit proposals for employment premiums on the one hand and the creation of employment in the public sector on the other, an issue which is highly topical in all our Member States at the moment. The Commission intends to work rapidly so that these proposals can be submitted to the Council for decision in December.

It is for me a personal satisfaction that the Council of Ministers of Social Affairs seems to have woken up, at last, if I may express myself so irreverently. Everyone, including myself, was surprised and disappointed at the lack of preparation for the tripartite conference. The conference was in fact prepared by the Ministers of Finance and Economic Affairs. The Ministers of Social Affairs did not even meet to discuss it. However much I tried to get them to meet, it was just not possible. But I can assure you that at their last meeting the Ministers of Social Affairs were unanimously cross with their counterparts in finance and economic affairs, which is a good sign, since it is only natural for ministers of social affairs to be cross with ministers of finance!

*(Laughter)*

If they are not, then something is wrong. Now and again I become cross with my colleague Mr Ortoli,

and he probably also with me, which is simply part of our work. Yet it is a necessary evil, because it is the 'choque des opinions' which brings out the truth. And this I believe is a good thing.

I have no complaints in this connection about the cooperation I receive from my colleagues Mr Davignon and Mr Ortoli, for instance.

I wish to make one last remark in answer to what has been said here today. I have already said that the Ministers of Social Affairs sit naturally, almost by right, in the Standing Committee on Employment. They allotted themselves, as you might say, two subjects for the tripartite conference. This means that people are already talking in terms of a joint effort of the Ministers of Social Affairs and the Ministers of Finance and Economic Affairs. Thus they have seen to it that the various problems will be tackled on a joint basis, and this is more than was achieved at the last tripartite conference.

Mr Van der Gun pointed out that a tripartite conference should only be held if it had something to deliberate on. I agree with him entirely. We shall provide the different components of the discussion, and it will not be our fault if nothing comes of it. And I have considerable hope that the social partners will then discuss matters together. Of course it is the Council, and sometimes I think this is not right, which presides over such a meeting. It is therefore also up to the Council to decide just when such a conference is to be held. But in my view things will have progressed so far by the middle of next year that it will be time for a new tripartite conference. However, it remains for the Council to decide and I cannot anticipate this decision.

But I would emphasize once again that it will not be the Commission's fault if the tripartite conference is not held during the second half of the next year.

Mr Van der Gun also drew attention to the need for joint consultation in the various branches of industry. I endorse this with all my heart. One of the greatest difficulties which I encounter in my work is the lack of what I would call a social infrastructure in the different organizations, or simply the lack of the necessary organizations. Of course we have the European trade union movement. We have UNICE, organized at the top. In the individual branches of industry, however, the situation is very diverse. They have various types of cooperation or else they have no cooperation at all. And now we have been asked to set up a joint committee. This has in fact already been done in the footwear sector, which is facing considerable difficulties. In the ship-building industry, agreement has probably at last been reached between employers and employees. Here too there is the possibility of a joint



## Vredeling

committee being set up, as also in other sectors such as the textile industry.

Thus I have every hope that more such decisions will be taken. This is certainly necessary, for if there is no social infrastructure, the Commission will find itself in an ivory tower. We are already in that position in Brussels, where we actually sit in a vacuum.

It is all very well to make fine promises here, but if there is no social follow-up to them in industry, our work will have been in vain. A good example of social follow-up is to be found in the women's organization. Think of article 119, and the implementation of the directive in question. Women's organizations know how to cooperate with one another and could teach us men a thing or two in this respect. I hope that their example will be followed also in other sectors.

Having explained that we are busy preparing a new tripartite conference, I can only express the hope that the social partners will reach agreement at the following conference. Of course such agreements never have the force of a decision. They cannot be translated immediately into a policy. That is the Council's work, which acts on proposal from the Commission, and after consulting the European Parliament. It is nevertheless extremely important that this procedure take place against the background of joint agreement between the social partners, and we shall do everything in our power to achieve this.

**President.** — I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, after the debate we have just had, I don't think I need to say very much or to try and take up all the points raised. I should therefore like to select three or four so as to give an indication of the direction I believe we should take.

I should firstly like to return to two questions raised by Mr Glinne. The first concerns the 4 or 4.5 % which we have forecast for next year. We have not done so in the belief that this forms an end in itself but because this percentage represents the limit of what we can actually achieve at Community level without causing further inflation. However, I feel that if we managed to alter the trend sufficiently during the difficult year which is approaching, we could perhaps make 1979 a turning point. I hope that in the 1978 debate we will be able to refer to future prospects without the enormous weight of anxiety and lack of confidence which we feel today. This is the new trend which I should like to see emerge from the common action taken by our Member States within the Community. Our aims are the same as those which many speakers have expressed and I am not prepared to accept a situation in which the vitally important problem of unemployment is allowed to

continue unresolved indefinitely. There is therefore no difference of opinion on this matter. Mr Glinne also commented on industrial growth. Of course, when he mentioned intervention by public authorities, he did not wish to exaggerate the albeit considerable role of public or local authority budgets, which only account for one quarter or one fifth of total investments. I think he was referring to industrial investment or, more generally, investment aimed at creating jobs outside the strictly public sector, and wondering about the level of intervention and impetus which can effectively be given; here too I believe that there are sectors in which the public authorities, whether national or Community, are more or less obliged to intervene. Indeed I believe that the case is quite clear for certain industries, which we must help to organize their transition and adaptation and hence to create new jobs: this is a combination of social and industrial policy. On the other hand, there are a number of growth sectors in which, for reasons which are not peculiar to Europe but also apply, for example, to the United States, I don't believe it can be said that the state does not intervene. Indeed we should do so. Going beyond that, we could hold another discussion on the intervention sectors, but after all, in countries such as ours the public authorities do sometimes take action. I myself have set up an Institute for Industrial Development in France — which justifies me in ignoring, the label, not intended as an insult, of 'liberal conservative' which Mr Hoffmann wished to apply — to enable the creation or development of undertakings in sectors where a market existed but where small and medium-sized firms were faced with difficulties, in particular concerning own resources, which they were unable to cope with. That is a comment which does not concern the problem as a whole but is one aspect which we will have to discuss again within the Commission and perhaps here in Parliament.

My second comment concerns the interpretation which is occasionally given of the present situation and the opposition which seemed to emerge? and again between combating inflation and combating unemployment: personally I do not believe in this opposition. If we fail to control inflation, we will also fail to combat unemployment and to defend our competitive position. This point links up with a question raised earlier on by Mr Schwörer, who referred to the obsolescence of equipment and the cost problems which that could pose. Any responsible politician knows that for all our countries a major requirement at the present time is for them to be able to participate in international competition, that is, to pay for their imports with their exports and, in extending their markets, to provide the means to create jobs. The fight against inflation and the fight against unemployment must therefore be reconciled; we have sought to express a number of ideas and to show that the fight against inflation would not necessarily involve restrictions and that it was now possible to take more direct

**Ortoli**

measures in the economic sector, enabling inflation to be overcome and moves towards full employment to be resumed.

At the beginning of the sitting I therefore attempted to explain the fact that we discern a certain amount of progress in relation to the medium-term programme, and that we had sought to promote greater efforts with regard to internal demand, provided that they did not disturb the mechanism of inflation. I should therefore like to point out to the speakers who mentioned this point and in particular to Mr Damseaux, who raised the question of the priority of employment — for I believe in its priority — that it does not conflict with the priority of combating inflation. It is a problem which I am prepared to discuss very seriously within the Committee on Economic and Monetary Affairs, because there are some clear contradictions which I do not accept. Thirdly, I have been told: 'you make proposals, you give statistics, but you have no confidence in yourself'. I am surprised to note that the same people say: 'your forecasts for the future can never be realized, etc.'. I am a little bit more confident than you are even though I cannot control the future: I wonder at those who tell me that with such and such a policy we will definitely achieve such and such a result. Indeed if we did actually achieve such results we would have become superhuman beings. What we can do is try to understand and to do better.

However, the governments must do what they say they are prepared to do.

On the other hand, I note that for several months now the Council of Finance Ministers has begun to deal much more directly with the problems which concern it, and this pleases me. I would therefore ask you to help us by adopting the resolution which has been submitted, because this is part of the process of putting the Community will into action. I am not sure that we will achieve the desired results but I am sure that we can try to achieve them and that we have a good chance of doing so. Don't say that nothing can be done, say if you like that you do not agree with my policy! All the speakers seem to think that there is no possibility for further growth and no future for any of our countries. However, I believe that if, instead of applying our know-how solely to the sectors which are causing problems, we applied it to those in which we can exercise our creativity — and Europe can still be creative —, we would perhaps help to restore an atmosphere of confidence. It is not enough to say that there are miracle remedies which have not yet been tried, the future must be described in black and white! There are a number of sectors in the Community which I am sure hold the key to this growth.

It does not lie in reducing working hours. That was one of the points which we studied at the Tripartite Conference and which should be analysed much more fully in terms of its ability to help achieve our chosen

objectives. Personally, I believe that there is a limit to the value of ad hoc measures. The important point is not to reduce the number of working hours but offer the possibility of more work. Of course, I am not asking that everyone should work sixty hours a week, but I feel that our people hope to see us create new jobs. I am not so sure that this is the policy of a liberal conservative in the sense in which you understand the term. If I may go back a little into the past, I am a conservative who has worked all his life to help his country achieve its present growth rate — and it has been achieved despite considerable difficulties — and its present rate of employment — and we have achieved full employment in my country: I contributed to these achievements in my capacity as General Commissioner for the plan. Don't think therefore that I spend my life in a narrow, enclosed world; on the other hand I am not prepared to accept that there is another world in which all the solutions can miraculously be found. Problems must be faced up to and it is no good having the kind of dualist attitude expressed by the last speaker. The evil was the Commission report but I did not discern the good, i.e. viable solutions which I could personally support, because practically nothing has been proposed.

To conclude, I should like you to take into account that an effort is being made at Community level, that we need Parliament to help us pursue this effort, that this debate has shown that we have undertaken many projects, and this 'we' does not just mean the Commission because I am also referring to the work which we do together. I hope that you will help us — and here I appeal to Mr Schwörer — to achieve more positive proof of the Community's willingness to work together, to make clear that investment problems are of great importance and that without investment there will be no growth and no solution to the employment problem. These solutions cannot be found exclusively at Community level, but the Community can help by pursuing a certain policy thanks to the control mechanisms which we have introduced. I hope that you will agree to support this point of view by acknowledging a priority which is urgent and which everyone has emphasized. You recognize that the Community can take action and participate in the search for solutions and you can be assured that, in view of the way the instrument is actually devised, there will be no serious errors in this field nor too many bureaucrats occupied in making errors.

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

#### 10. *Sixth Report on competition policy*

**President.** — The next item is the report by Mr Cousté on behalf of the Committee on Economic and Monetary Affairs on the Sixth Report by the Commission of the European Communities on competition policy (Doc. 347/77).

I call Mr Cousté.

Mr Cousté, *rapporteur*. — (F) Mr President, as in other years the Committee on Economic and Monetary Affairs has carefully considered the Commission's report on competition policy, in close cooperation with Mr Vouel and his staff. The Commission provided us with some extremely useful explanations and I should like to take this opportunity of thanking Mr Vouel for his cooperation.

Discussions in the committee on competition policy revealed our interest in developing this policy within the Community. However, I felt that during these discussions some of us occasionally began to doubt the significance and scope of the competition policy.

Before considering the Sixth Report itself, I should like to emphasize a number of points concerning this matter:

Free competition is a basic component of our economy. To illustrate effectively the undoubted advantages of competition, we decided, as did Mr Normanton in his report last year, to adopt a broad approach to the subject, placing more emphasis on the economic than on the strictly legal aspects of competition. Paragraph 1 of the resolution defines the economic role of competition, which is to ensure the proper functioning of the market, economic efficiency and the fairest possible consumer prices.

However, competition is in constant danger of being diverted from its objective by such well known factors as agreements and dominant positions. The sizeable task of ensuring the application of Articles 85 and 86 of the Treaty can only be successfully carried out by means of close cooperation between the Community institutions and by coordinating national policies. Moreover, it must be remembered that certain situations in particular sectors — this is especially true of the ECSC Treaty — may require the suspension, or, at least, the reduction of competition.

At present we are observing closely the progress of the anti-crisis plan introduced by the Commission in the iron and steel sector, on which I was your *rapporteur*. You may remember that in accordance with the ECSC Treaty, and in view of the serious crisis in the iron and steel sector, the Commission has recently fixed delivery quotas and minimum prices for certain products, as well as guidance prices.

Finally, the Community institutions are also obliged to intervene on the world market to deal with unfair competition, dumping and premiums or subsidies paid by non-member countries. There is 'social dumping' by the developing countries which take advantage of low salaries, 'economic dumping' by the state-trading countries, which use the production cost method and finally 'monetary dumping' by the industrialized countries, which are tempted deliberately to allow their exchange rates to slide.

Hence the scope of competition policy is much wider than its critics think. Free competition obviously

wouldn't work of its own accord; control, careful monitoring and, if appropriate, legislation, are all vital.

Further more, it should be recognised that, apart from regulating the market, competition policy can only establish a competitive environment and support other measures; it cannot do everything.

I believe that the growing indifference of a number of our colleagues to competition policy, which at times they used to ardently defend, is the result of a fundamental lack of awareness of the difficulties and limitations of Community competition policy and also of its instruments and the results it has obtained, as described in the Sixth Report.

We can now consider the report itself and there are three main points to be made in this connection.

The first point is that competition policy is one means of regulating the market. Its aim is to ensure the fluidity of trade and equal conditions of competition. In this sense, by applying the various articles of the Treaty, competition is a vital factor in the regulation of the market, that is in ensuring that it functions as well as possible. I should like to illustrate this point with five brief comments.

Firstly, your committee again held a fairly lengthy exchange of views on the scope of competition policy.

We first agreed on a general wording — paragraph 3 of the resolution — in which we asked the Commission constantly to extend the scope and application of the competition policy to ensure that in future it covers all the Community's activities.

In my view this wording is completely acceptable. Without departing from our overall approach to competition policy, it enables us to avoid the problems involved in giving a list of activities which is likely to be incomplete and to lead to misunderstandings. We also share the point of view expressed by the Commission on page 10 of the introduction to the Sixth Report, that is, that 'competition cannot take the place of economic or social policy' but that hand-in-hand with other policies it must 'fulfil both its role of establishing a competitive environment and of supporting other measures'.

However in certain cases, mentioned in paragraphs 4 and 19 of the motion for a resolution, we felt it necessary to indicate those sectors where we expect the Commission to act. They concern the application of the rules of competition to air and sea transport, in accordance with the ruling of the European Court of Justice of 4 April 1974 and to the financial sector, which had already been mentioned during the discussion on Mr Normanton's report. We expect the Commission to publicly announce its willingness to act on these two points.

Secondly, as regards the application of Articles 85 and 86 of the Treaty, the best way to comment on this

### Coûté

important subject is to refer to the substantial developments described in the Sixth Report.

In my view, the most remarkable aspect is undoubtedly the considerable number of cases — 380 in 1976 — which, as the Commission's administrative practice becomes more definitive and the Court's legal interpretations develop, has been dealt with by the undertakings concerned voluntarily terminating, at the Commission's request, the offending practices. This is an extremely positive aspect — of which the public and even parliamentarians are unaware — of the genuine and effective cooperation which is being established between undertakings and the Commission.

As indicated in paragraph 5 of the Motion for a resolution, a further vital aspect of competition policy is embodied in the priority given by the Commission to the conduct of firms which occupy a dominant position, the abuse of which may prove prejudicial to the consumer.

Thirdly, the conditions of competition can be seriously affected in the field of industrial and commercial property rights.

In paragraphs 6 and 7 of the motion for a resolution, the Committee on Economic and Monetary Affairs therefore urges the Commission to submit at an early date and taking account of economic requirements, its proposal for a regulation on a block exemption for patent licensing agreements and the amended regulation on the application of Article 85 (3) to certain categories of exclusive distribution agreements.

We also expect the Commission to introduce new measures to establish a Community trademark and once again regret the insufficient progress in eliminating technical and administrative barriers to trade.

Fourthly, in paragraph 10 of the resolution the committee was also concerned, as it was last year, to ensure 'the equal application of the rules of competition to all firms with due respect for the neutral approach of the Treaty to public and private ownership of companies and for the constraints imposed by the special responsibilities frequently assigned to undertakings'. (Sixth Report, p. 11).

With a view to obtaining greater clarity in financial relations between states and undertakings, we expect the Commission to submit a proposal for a directive to this end, as already promised in the Sixth Report.

In paragraph 11 of the resolution we urge the Commission to complete the difficult task, imposed by Article 37 of the Treaty, of abolishing in all the Member States exclusive rights for national monopolies of a commercial nature. Indeed, certain state monopolies frequently conceal considerable private interests.

Fifthly, in paragraph 12 of the resolution we hope that the Commission will ensure that the sometimes

considerable legal disparities between the competition rules in force in the various Member States have no prejudicial effect on trade.

The second vital point is that competition policy is a factor of economic efficiency.

Paragraphs 13 to 17 of the resolution concern competition policy in its role of stimulating economic efficiency. Here I shall refer to state aids and the control of concentrations.

As regards state aids, the EEC Treaty explicitly recognized the need for some form of framework for state aids to ensure the proper functioning of competition. In this connection I shall merely refer you to the explanatory statement to this report which, for each category of aid, develops the general principles expressed in paragraph 13 of the resolution. We also heard a debate on this subject on 16 June 1977 on an oral question concerning national aids and economic integration, and on that occasion Mr Vouel assured us that the Commission intended to ensure that the aids were compatible with the aim of restructuring our economy and the requirement that it should be competitive. On the other hand, unlike the ECSC Treaty (Article 66), the EEC Treaty does not contain any formal provisions concerning the control of concentrations.

However, I should like to point out that we attach great importance to this matter and that account should be taken of the most recent national legislation in this field and in particular of the French law of 20 July 1977, since in such an important sector as the control of concentrations, we might run the risk of creating unreasonable obligations and restrictions.

Instead the aim should be to create confidence and to persuade rather than restrict.

The promotion of small and medium-sized undertakings is also of great importance and I think that competition policy is already an accepted instrument for such undertakings.

Finally, in addition to penalizing the abuse of a dominant position, a further aspect of the problem of controlling concentrations lies in monitoring the activities of transnational undertakings.

At this point in our debate I think it is enough to mention the importance of this matter without going into it more deeply.

The third vital point is that competition policy is an instrument of price policy.

Some of our German colleagues (in particular Mr Müller-Hermann) feel that there is a close connection between the low inflation rate in the Federal Republic of Germany and the high degree of competitiveness of its economy.

Other colleagues have frequently referred to the report of the working party on the problems of inflation

**Coûté**

(Maldague report), which established that meso-economic firms help to stabilize prices and inflation.

The Sixth Report provides extremely useful information on the extent and causes of price disparities. The studies carried out by the Commission show that differing prices for the same product are partly caused by factors other than competition (differences in price regulation in the various countries and between national laws on marketing; the effect of fluctuations in currency exchange rates). It would be wrong to expect competition policy to cure everything. Nevertheless, these price disparities are unacceptable and encourage the idea among the general public that the economic Community simply does not exist. Using the information obtained, it should be possible to achieve a better price situation for identical products in the various Member States.

The Committee on Economic and Monetary Affairs will be extremely interested in the outcome of the Commission's studies in the data processing, pharmaceutical and petroleum sectors; it naturally assumes that the European Parliament will be informed of these results — not in November, but if possible in June or even April.

To conclude, I should like to say that the committee adopted this report by a very large majority and that no amendments have been tabled to it. I therefore hope that the House will likewise adopt it today, for I feel that by its efforts and its concern for clarity, the Commission should help us to assume together the economic and also social role which is expected of us, that is the role of stimulating competition for the benefit of all consumers in the Community.

*(Applause)*

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

**Mr Glinne.** — *(F)* Mr President, Commissioner, I should just like to make one or two brief comments. The first of these is that the instruments which the Treaty of Rome provides for competition policy are relatively weak. They are not strong enough to enable us seriously to undermine dominant positions, nor can they be used to combat the new concentrations or even to tackle the vital problem of unfair competition. This aspect of competition policy is, it is true, regarded by the Commission as falling within the scope of its consumer policy, but the impression prevails in my group that relatively little has so far been achieved as regards unfair competition under this policy. We therefore repeat our request to the Commission that in future it should also deal with this problem in the context of competition.

Comparisons can be misleading but I would also point out that in the United States, where economic and monetary union has of course already been

achieved, the authorities possess a substantially more powerful instrument to combat distortions of competition. They are able to combat not only abuses but even dominant positions themselves. They can oppose new concentrations and the administrative instrument, in a federal system which is politically firmly established, is of course much more powerful than in the Community in which, if I am not mistaken, some 200 civil servants, however noble their intentions may be, are manifestly incapable of effectively combating certain organizations. I refer to the resources available to certain big companies, and the many tricks and devices used by their lawyers and legal advisers. It is consistent with the logic and natural development of our economic system that the trend towards concentration is increasing. In the United States the 200 biggest industrial firms represented between 15 and 20 % of the total assets of all non-financial companies in 1950 but by 1968 this figure had reached 61 % and the estimate for 1975 was 75 % of all non-financial companies.

Having said this much there can, however, be no doubt that the instruments provided by the Treaty of Rome have contributed effectively to integrating the market of the various Community countries. Indeed that was one of the fundamental aims of the competition policy, as Mr Coûté rightly stressed. The aim was to prevent the markets of the member countries being re-compartmentalized, through cartelization and exclusive dealing, after the disappearance of customs duties and quotas.

But as regards the fundamental problem of concentration in highly industrialized capitalist countries, we are forced to admit — and this is not a criticism of the Commission whose efforts we greatly appreciate — that the competition policy has so far had a very limited impact, the reason being that conflicting policies have been pursued by the Community and the Member States over the last 15 years.

On the one hand, the Treaty required that cartelization and abuses of dominant positions should be combated, but on the other hand the requirements of the economic development of world capitalism have led governments and the Commission to adopt a favourable attitude and, in certain cases, even to encourage concentration in economic sectors particularly sensitive to competition (e.g. American and Japanese firms firmly established on the international markets). Consequently, it has been necessary to adjust competition policy according to the industrial sectors concerned.

This being the case, until thorough studies have been made on the optimal amount of concentration in each industrial sector, it will not be possible to assess with any precision the competition policy pursued by the Commission and on behalf of my group I should like

## Glinne

to ask Mr Vouel what his opinion is on this — in our view — important matter.

What should be done in this difficult situation? In the Committee on Economic and Monetary Affairs certain speeches were made which reminded one of the wars of religion. The rapporteur was most helpful during those discussions and as chairman I think I should thank Mr Vouel publicly for helping to clear up so many points. I still shudder in retrospect to think that the purpose of certain regulations was to introduce the competition policy into the common agricultural policy system. There are certain difficulties, however, which show that it is a mistake to expect too much from the competition policy alone. Like the rapporteur, I would stress that according to the Treaty of Rome the competition policy is only one of the means to be used to achieve the objectives of the Treaty. And the objectives of the Treaty are all subordinate to the main purpose of fostering the harmonious development of economic activity, continuous and balanced expansion, increased stability, faster increases in living standards and closer relations between Member States. Other instruments, some of which we feel are still in their infancy, and as a result of which the Treaty of Rome is much more the reflection of a neo-liberal doctrine than of advanced dirigistic ideas, should be developed substantially in order to meet certain social, structural or regional requirements. However, the competition policy cannot be expected to meet needs which require the implementation of other policies.

As regards the competition policy proper, we believe that it is necessary to strengthen certain instruments. Firstly, the regulation on mergers should at long last be adopted. We feel — and I do not, at this late hour, wish to get bogged down in detailed explanations — that it is outrageous that the Commission's proposal, which has been before the Council since 1973, has still not been adopted. At the beginning of this year the Socialist Group raised this matter with the Council and I think the time has come or will soon come for this point to be brought up again, at a forthcoming part-session of this Parliament.

Secondly, the Commission says itself that priority must be given to action to combat abuses of dominant positions. We in the Socialist Group not only support the position thus adopted by the Commission; we urge it to step up its research in this area.

Thirdly — and I apologise for making so many references to the USA but the rapporteur and myself have just returned from a visit there — as Mr Galbraith has said, the main problem of competition policy is that of strengthening the market system, i.e. the small and medium-sized undertakings which suffer from so many drawbacks compared to the big companies. This is true in the United States despite the fact that a powerful administration operates there — the small

business administration — and it is all the more true in Europe where the authorities have far more limited powers. We shall return to this matter when Mr Notenboom's report is considered.

Given the power of the big companies, and the considerable impact on the economy of each investment decision they make, the authorities ought also to be informed and consulted on the major investment decisions of undertakings in sectors of the economy characterized by a high level of concentration (e.g. heavy industry).

Finally, Mr President, in deference to the authority of your hammer which you are beginning to brandish I should like to make two brief comments. Firstly, on the matter of aid. Since the 1974 crisis the Commission seems to have lost its grip on the problem, under the pressure of events. Obviously, we have no desire to prohibit the application of all forms of aid, but the Commission ought to establish much clearer and more precise criteria than those used at present, and I personally think that aid should be granted only to enable the industry concerned to become competitive again without being taken as far as, for instance, the system of assistance granted to the coal mines in my country which, looked at retrospectively, constitutes an absolute scandal.

A final comment on multinational companies. My group strongly supports a request contained in the motion for a resolution drafted by our excellent rapporteur, Mr Cousté, to the effect that work should be stepped up on the outstanding measures following on from the resolution we adopted on 12 December 1974. Two weeks ago on 1 November Mr Cousté and I were present when our American colleague, Mr Gibbons, tabled a private member's bill on transnational companies in the House of Representatives. We visited the United Nations Centre for transnational companies in New York. In this Parliament Mr Lange took a number of initiatives in this area several years ago; a general consensus already exists. We are familiar with the work of the OECD and work done by other organizations. We fervently hope that the speediest possible action will be taken on this item of Mr Cousté's motion for a resolution.

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

**Mr Zeyer.** — (D) Mr President, ladies and gentlemen, first of all I should like to thank Mr Cousté very sincerely for his comprehensive report. He has done a very good job. His motion for a resolution, duly adopted by the committee responsible, reflects the debate very closely. He shows the main points of emphasis in the competition policy, and gives the Commission the necessary support for its own policy. But he also advises the Commission consistently to pursue the approach followed so far.

**Zeyer**

The Sixth Report by the Commission on the competition policy would surely have deserved very detailed discussion by this House. Unfortunately there is no time for it this evening. I shall therefore confine myself to putting forward my Group's reactions on a few questions which seem to us particularly important.

We agree with the Commission that Europe's future can only be commanded if its frontier remains open. Despite the structural problems in certain sectors of our economy we must warn against seeking the remedy in bilateralism and import controls. Our economic and social problems cannot be resolved by protectionism, for this would run the risk of a worldwide trade war, which surely no one wants.

A clearly defined competition policy is first and foremost in the interests of consumers. Competition is the essence of a free social market economy. It must therefore be the aim of our policy always to ensure the appropriate level of competition, and any obstruction to competition must be dealt with resolutely. The Commission may be said to have conducted a purposive competition policy. This was certainly not always easy, nor will it be easy in future.

The common market has a homogeneous internal market, which must remain so. The Commission must ensure that this character is not called in question by restrictions, including restrictions of an administrative or tariff nature.

Where such restrictions still exist they must be eliminated; and new ones should not be tolerated, if the Community is not to suffer harm. The Commission's task is not easy, for the right of competition in the Community depends partly on national and partly on Community rules. It is not always easy to delimit the respective areas of responsibility. National laws may coincide with Community law, but they may also clash with it. For this reason it is essential that the Commission should work in cooperation with the cartel-supervising authorities of the Member States. Cases in which the Commission and the national cartel authority adopt different approaches to the same circumstances must not be allowed to happen.

We are grateful to the Commission for setting out the development of the competition policy in the Member States in its Sixth Report. This reveals a widely ranging interpretation of the competition policy and consequently of the law on competition also. At the same time, however, there is a clear trend towards intensifying the competition policy controls in the interests of maintaining effective competition. These effective controls are absent only in Italy.

Especial consideration must naturally be given to the merger procedures. We must agree with the Commission where it refers to the need for the early introduction of merger controls at Community level. The

guiding principles for multinational companies were published by OECD in June 1976; these call for the multinationals to adapt to the rules on competition and the practices prevailing in those countries where they carry on their activities. They should be willing to cooperate closely with the cartel authorities of the host country, providing them with the necessary information. My Group assumes that the Commission will continue to play a vigorous part in implementing the principles applying to the economic activities of multinational enterprises.

In the steel industry, the Commission has pursued a policy of promoting mergers and measures for rationalization and specialization. This was surely the right way to encourage restructuring. It must be the aim of the competition policy in this sector to preserve the international competitiveness of our steel industry.

The policy practised in the Member States for the allocation of state aid continues to be very unclear. This applies not only to regional but also to sectoral aid. Here the Commission has a twofold task. Not only must it ensure that national rules on aid do not discriminate against others, but it must also see that they serve the purpose of restructuring industry and preserving its competitiveness.

My Group welcomes the Commission's attitude to nationalized enterprises. It is glad that the Commission has given particular attention to them because they are often in direct competition with other undertakings. There must therefore be safeguards to ensure that nationalized enterprises observe the rules of the EEC Treaty; otherwise there are dangers of continued distortion of competition. My Group therefore expects the Commission to introduce transparency into the financial relationship and capacity for intervention of the state in the case of nationalized industries.

Mr President, ladies and gentlemen, time is pressing but I should like to make one final comment on the small and medium-sized industries, for my Group is particularly concerned about them. An effective level of competition is vital to a number of small businesses. They are often more profitable and more efficient than the large-scale undertakings, as the Commission I think rightly says in its Sixth Report. They are also more flexible than the larger companies, better identifying market opportunities and reacting much more rapidly to changes in the market. Studies have shown that the innovative potential of small and medium-sized enterprises is exceptionally high. If we are to prevent them from being absorbed to an increasing extent in the general trend towards merging large-scale enterprises, we must show them the wide range of opportunities for permissible cooperation between firms. Where the Federal Republic of Germany is concerned, the Federal Ministry for Economic Affairs has published what is known as the Handbook on Cooperation. We would ask the



## Zeyer

Commission to consider whether something similar could be done covering the whole Community.

Mr President, ladies and gentlemen, permit me finally to assure the Commission that they may always count upon the full support of my Group for the implementation of a purposive competition policy.

**President.** — I call Mr Damseaux on behalf of the Liberal and Democratic Group.

**Mr Damseaux.** — (*F*) Mr President, the fact that we have deliberately chosen the market economy as the system in which we are attempting to integrate our national economies confers special importance on competition policy. We therefore believe that, apart from some exceptions which allow for the integration of new members, or for exceptional short-term difficulties, observation of the rules of competition is an essential prerequisite for economic integration in the Community. I would like here to offer our rapporteur thanks and also some criticism: thanks for having placed his remarks in the overall economic and political context and for not having restricted himself to a strictly legal analysis of competition: and criticism for having agreed to have such an important matter debated in front of eight members at 9 p.m. whereas yesterday the rapporteur who was in the same situation agreed to have his report carried over to this morning, to a time when a greater number of our colleagues could be present. I think this subject deserves a better fate than to be discussed this evening.

The motion for a resolution before us is very full. However, full view of the lateness of the hour I will make only five comments which I consider to be essential.

Firstly, paragraph 9 of the motion for a resolution mentions the European Parliament's desire to see the elimination of technical and administrative barriers to trade. It is high time the Commission made serious efforts in this field, for certain Member States, and by no means the least important of them, by allowing this kind of barrier to persist, merely camouflage their national protectionism, for although it is easy to apply literally the provisions adopted jointly at Community level, it is just as easy to hinder trade at the same time either by maintaining, or allowing to develop, or even introducing technical, administrative and bureaucratic barriers to trade.

Secondly, in paragraph 12 of his motion for a resolution, the rapporteur rightly points to the differences in the nature and degree of the control exercised in the various Member States and calls upon the Commission to coordinate and harmonize these divergent positions. I think the Commission should pay particular attention to this important matter. It is unacceptable that these differences, particularly in the degree of control over the observance of the basic rules of

competition, should distort the economy and thus in practice penalize enterprises in Member States whose regulations conform to the requirements of the social market economy.

Thirdly, the Assembly is asked to vote on paragraph 13 of the motion for a resolution which says that Parliament 'expects the Commission to continue its work of scrutinizing and coordinating sectoral and regional aids and aids to the environment with the object of ensuring their compatibility with the goal of restructuring and the need for ensuring that our economy is competitive'.

I think the rapporteur is quite right to raise this question but I would like to draw the Commission's attention to specific examples and. I will take these examples from my own country, on which I am better qualified to speak. After all, one should always put one's own house in order first. The first example is that each year the Belgian government makes up the deficits in the steel industry with grants of many millions of francs but without really attempting, with the Community organizations, to find the courageous structural solutions which alone will ensure its survival in the long term. It would be interesting to know whether the Commission thinks this kind of aid is completely above board and I would like it to tell us exactly what its views are on this at a time when it is trying to make the European steel industry as a whole profitable and competitive.

As a second example, I am prepared to admit that the Commission's task is made more difficult by lack of clarity in national aids: but the Commission could for example tell us what the position is in the dispute between Belgium and the Commission on the problem of designating development areas under the Belgian law of 30 December 1970 on economic expansion, since the Belgian government's decision was repealed by a decision of the Commission of 4 May 1972 and since 4 May 1972 this problem, which is nevertheless important both for Belgium and the Community, has been in abeyance.

Fourthly, the discussions in the Committee on Economic and Monetary Affairs and the comments by Mr Vouel show that the Commission is paying more attention to small and medium-sized firms. This is to be welcomed and I think that it is not enough just to interpret the rules drawn up for large firms but that we must work out rules of competition applicable to small and medium-sized firms. These rules should be easy to understand and easy to apply. By voting paragraph 17 of the motion for a resolution we can take a step in this direction and I urge the Commission to continue its efforts to draw up specific competition rules for small and medium-sized undertakings.

Fifthly, although the Committee on Economic and Monetary Affairs did not reach a firm conclusion on this point, I think that we should not pass over in



**Damseaux**

silence the cut-throat competition practised by certain foreign importers on the Community market. This situation arises in several sectors of our economy and indeed the number of sectors concerned is increasing. The most obvious, or one of the most obvious, is the textile sector. It would be interesting if the Commission could inform us, as Mr Davignon promised during the last part-session in Luxembourg, about progress on negotiations on the continuation of the multi-fibre arrangement. The importing countries which have a lower wage bill than our countries and also, for the most part, plenty of available raw materials, are in a very strong position on our markets. Of course in the present state of affairs it is difficult to say that these third countries are practising unfair competition or even dumping, but the Commission must urgently look into this important problem which is threatening the future of a large number of firms and consequently, a large number of jobs.

These, Commissioner, ladies and gentlemen, were the main points which I wished to make on the excellent report presented by Mr Cousté. My group will, of course, vote in favour of the resolution tabled by the rapporteur, but it also urges the Commission to take account of the suggestions which I have put forward on behalf of my group debate.

this debate.

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

**Mr Stetter.** — (DK) Mr President, the Conservative Group agrees with Mr Cousté's statement and his motion for a resolution. We do not intend to table any amendments and we will vote for the 20 paragraphs of the motion for a resolution.

Competition policy is an essential element in our private economic system. Competition is indispensable because it is a means of measuring the profitability of our undertakings. Admittedly, for the time being we have unfortunately enough manpower but we know that there is not enough capital and it is therefore essential to have a means of channelling capital into the proper profitable undertakings. The Conservative Group is not however biased on this point. I would like to give an example. The Committee on Economic and Monetary Affairs is currently considering another report on the crisis in the textile industry. I could also include the crisis in the confectionery industry. We are perturbed by the ruinous competition that many European textile and confectionery industries have to face. Not just the competition that takes the form of imports from low-priced countries but also the competition that industries have to face because national governments and parliaments grant different aids to maintain these jobs. I would refer you to paragraph 13 of the resolution

which expects the Commission to intervene in this area by harmonizing such aids.

I shall not however go into the details of this report which as I said we support and will vote for when it is put to the vote tomorrow.

In conclusion, I will just say that this report is based on the Commission's report on competition policy. I will take advantage of Lord Bruce's absence to say that the Conservative Group feels that the Members of the Commission are untiring in their efforts to be of service to Members of Parliament. This Assembly is often inclined to criticize the Commission but I feel that we have reason to express satisfaction with the fact that it is untiring in its efforts to give us adequate information as it has done in the case of competition policy. I am sure that my colleagues in the Conservative Group will support my comments on the work the Commission does for us and for our Community.

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

**Mr Leonardi.** — (I) Mr President, in view of the particularly serious situation which was described during the discussion of the previous item, the economic situation, I think that first of all we must try to clear up this ambiguity in which we find ourselves. There are two main positions on this: Parliament's, represented by Mr Cousté who, in paragraphs 3 and 4 of his motion for a resolution, hopes that competition policy will be extended to all economic sectors, and the Commission's which tends to limit competition policy to a support role for other policies. Nevertheless, as was stated in the Fourth Medium-Term Programme, competition policy ought to improve the effectiveness of the macro-economic regulators.

I do not think this is a small difference. Basically Parliament is keeping to the spirit of the Treaties and in particular to the principles laid down in the Spaak report on which the Treaties were based, which attached fundamental importance to competition, the laws of the market and its enlargement as part of the foundation and operation of the Community.

The Commission however, has gradually adapted itself to a situation in which competition is less and less evident and certainly less and less effective as a means of realising the fundamental objectives of constant and widespread progress laid down by the Treaties. On the other hand we know that this constant and widespread progress has not taken place, so much so that a few hours ago we were discussing an extremely worrying economic situation. For this reason the Commission is tending towards a limited interpretation of it as a complement to other policies to improve the efficiency of the macro-economic regulators. But where are these policies and where are these macro-economic regulators? It is their absence which

**Leonoradi**

has brought us to the present situation which is to no one's benefit,

The fact of the matter is that the laws of the market reflect reality less and less whilst state intervention is becoming increasingly the determining factor, taking a bigger share of the national income every year; this state intervention spends on average 25 % of the gross national product on welfare and social security, for example, and in various ways — either directly or indirectly — accounts for half of the investment in our countries.

In our countries public expenditure will soon account for half of the gross national product. In recent years a mixed economy has developed which has completely changed since the Community was founded. If the operation of this new system is not completely satisfactory, this is due basically to the fact that so far we have not wanted to recognize it for what it is. Only if we recognize for what it is, can we protect private initiative, safeguard the market to the greatest possible extent and make the choices which our countries will need to make for increasingly political reasons and in order to pursue urgent social-objectives.

It is from this misunderstanding that paragraphs 3 and 4 of the resolution contained in Mr Cousté's report derive, and I remember that in committee Mr Cousté had wanted to enlarge the scope of competition policy further referring to Article 90 of the EEC Treaty under which the conduct of public undertakings must not be different from that of other undertakings insofar as this does not obstruct the performance of the particular tasks assigned to them.

But the problem here is to judge to what extent these public undertakings may behave in a different way; this judgment is not made either by the Commission or, which is more serious, by the democratic bodies of our countries, that is to say the parliaments.

This is the situation I think we must face if we want to save time and trouble defending a type of competition which in fact is indefensible.

When I think of the situation of the public and semi-public undertakings in my country and the claim — pursuant to Article 90 of the Treaty — that the Commission would have to judge the extent to which these undertakings can deviate from the behaviour of other small and medium-sized undertakings, I cannot help — to put it euphemistically — expressing a profound scepticism not only about what is being done but also about what it will be possible to do if we continue in this way.

The cases of intervention by the Commission — which I have studied with great care and attention — are in fact completely marginal. Prices in the various countries are very different. The large groups at home and abroad continue to do what they want, occupying positions reflecting the real power they possess. The reason for this — as I said before — is that we still do not want to acknowledge reality.

This does not mean to say that the Sixth Report on Competition, like the previous ones, does not make interesting reading and provides some very useful information. We believe however that the Commission's resources could be more usefully employed supervising state intervention with the cooperation of national parliaments, which have to make an effort — at least in Italy we are trying to do this — in this direction, and with the cooperation of the future European Parliament as well, in order to protect competition within the limits and in the sectors in which it can and must play a role, in economic systems which — as I said before — are no longer private economic systems but rather mixed economy systems: whether we like it or not.

**President.** — I call Mr Vouel.

**Mr Vouel, Member of the Commission.** — (F) In spite of the lateness of the hour, and the fact that the Chamber is somewhat empty, I should like to say that the annual debate on the Commission's competition policy is particularly important this year. Indeed, the Community's present economic and social situation inevitably gives rise to questions from some quarters about the very principles on which our market economy is based, questions about the validity of a system based on the play of unfettered competition or about the present justification of the rules governing this system. These very questions were forcefully raised this afternoon during your debate on the economic situation. It would be quite true to say to you that the Member States, when they decided to take part in this Community, accepted the principle of the free play of competition between their industries. But that would be an easy answer. It would be a legalistic answer which would make debate irrelevant. In the present situation, these questions call for an economic and social answer, in short, a political answer. In the light of your discussion on the economic situation in the Community it would be superfluous for me to dwell on that aspect. But it is a situation which appears to have certain irreconcilable elements. Externally, the Community is becoming increasingly open to free trade. Internally, it is characterized by an industrial structure in the throes of change, and by major industrial sectors which, traditional pillars of prosperity in the past, are now in serious crisis and find themselves unable to effectively resist international competition. Openness to the outside world is an irreversible trend, provided it is properly organized, and can only be of advantage to the Community. But it unavoidably implies the need to make our industry competitive on international markets. It is therefore absolutely impossible to seek to become part of an open world system based on free competition whilst simultaneously, shutting ourselves up inside our Community in a web of national protectionism. Here I should like to identify myself with what Mr Müller-Hermann said on this point a short while ago. We have to make our industry competitive

## Vouel

at Community level. It is only in a market economy system, through undistorted competition between the industries of the Member States, that we shall succeed in assuring the competitiveness of Community industry. It is only in this way that we can genuinely guarantee genuine economic and social progress. Respect for the system of fair competition therefore remains the basis for the long-term development of our economy.

But this does not mean that the policies we should pursue should not be adapted to fit the circumstances. It is in fact becoming increasingly obvious that the re-establishment of the competitiveness of Community industries and the improvement of the employment situation are linked to far-reaching and rapid structural changes which in some cases cannot be brought about by market forces alone. And even if they could, it would certainly not be at an acceptable social cost, nor with the speed required. In this sense, competition policy cannot and ought not to pretend to be a perfectly balanced theoretical system, for that would be to disregard the real facts of life. Neither strict *laissez-faire* nor interventionism are suitable to provide lasting solutions to the problems we face. Reaction to the one would be rejection, and the other would be far too conservative an approach: so a dialogue is needed. But, whatever happens, dialogue must not lead to a questioning of the unity of the common market or the freedom of consumer choice. That is why the Commission is particularly vigilant when it comes to applying the competition rules to undertakings.

The greatest and most immediate risk of walling off the market comes, in fact, from 'understandings' of one kind or another, or from the pursuit of illegal economic power. It is essential for the Community that indispensable structural modifications should be tackled without delay and be implemented in such a manner that they lead, as soon as possible, to a strengthening of the competitive capacity of our firms. We have to recognize that we are still very much in the dark as to where the foundations of the Community's future industrial development lie, particularly now that the hands have been re-dealt at international level. One thing is evident: We cannot be indifferent to the difficulties of quite a number of sectors or branches because of their importance, if sometimes overrated, in our economic life, because of their geographic concentration and because of the socio-political problems to which they give rise. And one thing is uncertain: where the strong points lie, which could assure the transition and provide the foundation for our future industrial growth. This uncertainty affects our approach, rendering it at best cautious, at worst hesitant. It is essentially in decisions on aid that the complexity of the present situation requires a pragmatic approach. The efforts made to help the sectors in difficulty to adapt will be a drag on the dynamism

of the rest of our industry. We should, in consequence, look very closely at the amount of effort we make. Assistance should only be given where it is really needed, in a degree proportionate to the individual problems arising out of each situation, and granted in such a way that it does result in the changes needed and contribute effectively to improving the competitive capacity of the sectors concerned. However, since alternative development strategies, particularly in terms of substitution activities, are as yet incomplete, we shall have to accept crisis aid. In the meantime, crisis aid granted should help to preserve existing structures threatened by total collapse, to sort out what remains of value and what should be discarded, and to work out replacement strategies.

Aids to employment are a typical example of crisis aid. For obvious reasons the Commission has not so far objected to the numerous initiatives taken in almost all the Member States to encourage firms either to create new jobs or to preserve existing ones. If the situation does not improve, however, and these measures are extended, we shall have to reconsider the effects of some of these aids in the light of two aspects: firstly, in a demand situation, employment thus created or preserved often results in the disappearance, or the non-creation, of equivalent employment elsewhere; secondly, in some crisis sectors, certain types of aid intended to preserve employment, and thus the production which results from it, have the effect of exacerbating the crisis, exporting local unemployment to other Member States and contravening the regulations laid down for aid to these sectors.

Mr President, the main aim of the remarks I have just made is to show you that applying a competition policy, particularly during a period of economic difficulty, does not consist in simply applying automatic rules in a rigid manner. The means and the accents can change so long as the Commission remains within the framework of the possibilities provided by the treaties. The objective cannot change, however, and must remain that our Community should continue in its entirety to enjoy a free market economy in which the principle of fair competition must retain its role as a fundamental guideline.

One question, however, arises with increasing frequency, and it is a question that I cannot disregard: ought it not to be accepted that a sector affected particularly seriously by the crisis can be made the subject of a specific and temporary set of rules to enable it to overcome its difficulties under the best possible conditions? Support can be lent to such an approach by the experience of the ECSC Treaty, which lays down provisions which go beyond those of the Treaty of Rome by allowing, under certain circumstances, the pursuit of objectives recognized as being of common interest. The Commission can thus make use of a

## Vouel

number of important instruments to more effectively tackle structural difficulties in the Community's iron and steel industries. If we had similar Community instruments for other sectors such as textiles or ship-building, it might help us to resolve their problems more rapidly.

I should now like to come back to a question which has come up on several occasions during discussions in the Committee on Economic and Monetary Affairs and in Parliament itself. The question is this: is there a correlation between concentration and inflation? Certainly, it cannot be excluded. However, I should emphasize that the results of the study programme on the development of concentrations, which the Commission has been working on since 1970, do not show that such a link exists. These studies, as our annual competition report shows, are intended solely to provide a systematic analysis, by sector and country, of the degree of concentration and its development. The major differences discovered in this connection from country to country do not, however, necessarily coincide with the differences in national rates of inflation. I should also point out that this difference in inflation rates does not appear to be influenced by the presence in our countries of multinational undertakings or large national enterprises, whether public or private. However, it is true that an ongoing process of concentration will logically lead us towards non-competitive market structures which could result in price policies not in line with the public interest. That is why the Commission persists in urging the Council to provide the Community with a means of preventing such developments. And here I should like to give my warm thanks to Mr Glinne and Mr Zeyer, as well as to Mr Cousté, for again emphasizing this point.

Mr President, let me now pass on to some important sections of your resolution which, let me stress, I find most constructive and encouraging for the development of our policy. I shall restrict myself to these points and not touch on those which Mr Cousté has just dealt with in his speech and which I fully endorse.

First of all, I should like to confirm that control of the behaviour of undertakings in a dominant position remains a priority concern of ours, all the more so since at present we do not have the necessary powers to prevent the appearance of new dominant positions, for example, concentrations. I would add here, by the way, that Mr Glinne is right when he regrets that the Commission still has no powers to control concentrations as such, nor, in consequence, to anticipate those dominant positions which will be detrimental because of their disproportionate economic power. I, too, regret this, and I would also endorse his assessment of which concentrations should be prevented and which encouraged in the various sectors. He knows that we are trying to carry out the necessary studies in the

most sensitive sectors, and you may rest assured that we shall submit the appropriate reports to Parliament once we have some tangible results.

Mr Glinne also talked about unfair competition; may I emphasize that this aspect of competition policy falls under national legislation; it is wholly desirable that this legislation should be harmonized, but I fear that this is a comparatively lengthy project. The work already in progress has had to be extended to the new Member States and they boast some legal idiosyncracies in this field, too. The various decisions we have recently taken to control the behaviour of undertakings in a dominant position have all been submitted to the Court of Justice. The Court is therefore being called on to give a ruling on the criteria to be applied in defining the market in which the position of an undertaking is to be assessed. It may also give valuable information on the special obligations devolving on undertakings in a dominant position, for example as regards their price policy. There is no point in my reminding you how far such questions of interpretation, although very technical, are decisive in developing an effective policy in this field.

You also expressed the hope that the Commission would, at an early date, remove any uncertainty about patent licensing agreements. We share your concern and are trying to lay down the limits of restriction on free movement and competition which patent holders may legitimately invoke in order to protect their inventions. A number of aspects of these contracts have already been defined by specific Commission decisions or by judgments given by the Court of Justice. This jurisprudence will be adopted and supplemented by our regulation on block exemption. I intend to make use of the procedure we followed on previous occasions and, when the time is ripe, invite your Committee on Economic and Monetary Affairs to discuss the major provisions of this draft regulation.

I shall now turn to a problem in which I am particularly interested, that is, public undertakings within the meaning of Article 90 of the EEC Treaty. I am aware of the importance of these undertakings in some Member States. I am also aware that particular tasks of prime importance are assigned to some of them, tasks, let it be said, which Article 90 expressly takes into account. However, I can see the danger that distortion of competition could result from the establishment of a special relationship between the State and the public undertaking. At present it is difficult to check whether the scale of the financial subsidies from the state to the undertakings actually corresponds to the additional costs incurred by the latter as a result of their particular tasks. I am tempted to say that sometimes there is no common measure between the two. This provision is equivalent to hidden aid which can have adverse effects on competition in one way or another. I would not wish to claim that this state of affairs was

## Vouel

general, all I am saying is that the Commission must be given the powers it needs to carry out the tasks assigned to it by Article 90. To this end I intend to suggest to the Commission that it should utilize its power of direct action which is laid down in the third paragraph of Article 90.

As regards State monopolies of a commercial character, it is true that some forms of these systems still cause barriers to free movement. However, we must realize that the adjustment of State monopolies is a politically sensitive and complex matter. I can assure you nonetheless that I have done everything in my power, from discussions at political level to the application of administrative procedures authorized me by the Treaties, to ensure the complete and rapid adjustment of the few existing monopolies.

As for State aids, Mr President, I have already told you of the approach the Commission is using in its efforts to apply a policy which is both consistent and appropriate to our present industrial situation. I would, however, like to give you a few additional details and in so doing link up with what I said to you last June during the debate on the oral question on this subject tabled by Mr Normanton, on behalf of the Conservative Group, and Mr Van der Mei, on behalf of the Christian-Democratic Group. A certain number of steps have been taken which already meet, or will meet, certain hopes expressed in a report and the resolution submitted to you.

To begin with, as regards sectoral aids, the Commission intervened in a certain number of sectors where there were particularly serious problems of adjusting to the new structural and economic situation in which these sectors must face competition. Because of the serious crisis affecting the shipbuilding industry, the Commission forwarded to the Council a proposal for a Fourth Directive amending its policy on the coordination of aid. The Commission proposes that special temporary aids to meet the crisis could be granted in the form of production subsidies designed to enable the Community's shipyards to bring their prices into line with those of certain third countries. This kind of aid would only be granted if restructuring objectives were met. The new directive will prevent aid measures from causing distortion of competition between the Member States' shipyards, which would be totally against the common interest.

Difficulties in the iron and steel industry have led the Commission to draw up guidelines for aids to this sector: they involve the rejection of any aids which would preserve the status quo and the endorsement of those for restructuring, modernization and rationalization, insofar as they do not lead to surplus production capacity. The Commission is at present considering the desirability of submitting to the Council a draft decision laying down the aid and intervention measures which the Member States may utilize, and

while we are on this point, may I say to Mr Damseaux that the Commission has received regular information concerning the aids granted to the Belgian iron and steel industry; this can be read from point 261 of the Sixth Report.

I also mentioned the principles which the Commission intended to apply to aids in this sector; of course Belgian aid is subject to these principles, just like all the others.

Given the surplus production capacity in the man-made fibre industry, the Commission has advised the Member States not to grant any aid over the next two years which would lead to a further increase in capacity. This will apply to specific aid in this sector as well as to systems of general aid or even regional aid. I must emphasize that the Commission intends to take similar measures, should other sectors find themselves faced with similar situations.

As for regional aids, we have continued our technical work, assisted by experts from the Member States, with a view to drawing up standards which will allow comparability between the regional aids granted in the Community, whatever form they may take. These studies have great practical significance. The Commission hopes that they will enable it to make decisive progress in its policy of coordinating all regional aids within the Community. Such coordination must be in the basic interest of the Community's less-developed regions unless the concept of the progressive and corporate revival of these regions is to remain but an empty slogan.

In reply to Mr Damseaux's question on regional aids, I might reply that the problem he mentioned has been delayed by the government crisis in Belgium and the subsequent elections. Discussion of the redrawing of zones for Belgian regional aid has resumed and is following a normal pattern; I think that we shall soon find a solution here.

Mr President, I should also like to say a word about our policy on small and medium-sized undertakings, another matter which seems to give you cause for concern and which was raised by both Mr Cousté and Mr Damseaux. Once more I can assure you that, like you, I attach great importance to an active policy on their behalf. I am convinced that these undertakings play a fundamental role in maintaining a competitive structure in the Community. We take account of the special problems faced by these undertakings both in our assessment of State aids to them and in the application of rules on agreements. If the competition policy cannot replace a policy of promoting small and medium-sized undertakings, it remains true nevertheless that the rules on competition must be applied to create a generally favourable climate in which these undertakings may develop their specific abilities. Thus the general rules which we are in the process of drawing up on licensing contracts, patents, sub-con-

## Vouel

tracting, specialization and minor agreements will take account of the need to encourage their development especially by means of certain forms of cooperation. Finally, Mr President, may I assure you that I share Mr Zeyer's opinion that the Commission should work in close cooperation with the anti-trust authorities of the Member States. It is specifically because the Commission has no powers, as Mr Glinne pointed out, that we are interested in a division of labour so as avoid unnecessary duplication of effort. That is why the Commission does maintain close contacts with the anti-trust authorities in the Member States where such authorities exist at national level.

Mr President, may I conclude by offering my warmest thanks to the Committee on Economic and Monetary Affairs and its rapporteur, Mr Cousté, for the close examination to which they have subjected our Sixth Report and for the generally encouraging conclusions which appear in the resolution on which you are now about to vote.

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

## 11. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Thursday, 17 November 1977, with the following agenda:

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

- Report by Mr Muller on the harmonization laid down by law, regulation or administrative action in respect of standard exchange of goods exported for repair
- joint debate on
  - Holst report on common policy in the field of science and technology
  - Veronesi report on a multiannual research and development programme in the field of primary raw materials (indirect action) (1978-1981)
  - Edwards report on a first programme of research projects in the field of medical and public health research
  - Evans report on a concerted research action on the growth of large urban concentrations
- Aigner report on the financing of food aid
- Giraud report on the Community quota for the carriage of goods by road between Member States.

3.00 p.m.

— Question Time

3.45 p.m.

- Vote on draft amending budget No 2 and on the motion for a resolution contained in the report by Lord Bruce of Donington
- Votes on motions for a resolution on which the debate has closed.

The sitting is closed.

(The sitting was closed at 10.05 p.m.)

## SITTING OF THURSDAY, 17 NOVEMBER 1977

## Contents

1. Approval of the minutes . . . . .	181	Lord St. Oswald; Mr Fuchs, on behalf of the Christian-Democratic Group; Mr Brunner, Member of the Commission . . .	199
2. Documents received . . . . .	181		
3. Budgetary procedure . . . . .	181	10. Decision on large urban concentrations — Report by Mr Evans on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 351/77)	
4. Directive on goods exported for repair — Report by Mr Emile Muller on behalf of the Committee on External Economic Relations . . . . .	181	Mr Willi Müller, deputy rapporteur and on behalf of the Socialist Group . . . . .	201
5. Research policy — Reports by Mr Holst, on behalf of the Committee on Energy and Research (Doc. 361/77), Mr Veronesi, on behalf of the Committee on Energy and Research (Doc. 348/77), and Mr Edwards, on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 349/77). . . . .	181	Mr Fuchs, on behalf of the Christian-Democratic Group; Mr Veronesi, on behalf of the Communist and Allies Group; Mr Ripamonti; Mr Gundelach, Vice-President of the Commission . . . . .	201
Mr Holst, rapporteur . . . . .	182	11. Question Time (contd) . . . . .	203
Lady Fisher of Rednal, deputy rapporteur		Questions to the Commission (contd) . . . . .	203
Mr Willi Müller, on behalf of the Socialist Group; Mr Fuchs, on behalf of the Christian-Democratic Group; Mr Cifarelli, on behalf of the Liberal and Democratic Group; Lord Bessborough, on behalf of the European Conservative Group . . .	184	Question No 12, by Mr Osborn (See No 8)	
6. Verification of credentials . . . . .	190	Question No 13, by Mr Hamilton: EEC-Japanese trade:	
7. Agenda		Mr Burke, Member of the Commission; Lord Castle; Mr Burke; Mr Cifarelli; Mr Burke . . . . .	203
Mr Willi Müller . . . . .	190	Question No 14, by Mr Edwards: Sri Lanka tea industry (deferred) . . . . .	204
8. Research policy (contd)		Question No 15, by Mr Dondelinger: Competition from the Comecon countries in the iron-and-steel sector:	
Mr Veronesi, on behalf of the Communist and Allies Group; Mr Krieg, on behalf of the Group of European Progressive Democrats; Mr Ripamonti, draftsman of an opinion; Lord St. Oswald; Mr Noè; Mr Brunner, Member of the Commission . . .	191	Mr Burke; Mr Dondelinger; Mr Burke; Mr Cifarelli; Mr Burke . . . . .	204
9. Regulations on energy-saving — Report by Mr Brown on behalf of the Committee on Energy and Research (Doc. 362/77)		Question No 16, by Mr Flämig (See Annex) . . . . .	205
Mr Holst, deputy rapporteur . . . . .	198	Question No 17, by Mr Durieux: The Commission's position on enlargement of the Communities:	
		Mr Gundelach, Vice-President of the Commission; Mr Feit; Mr Gundelach; Lord Bruce of Donington; Mr Gundelach; Mr Spicer; Mr Gundelach; Mr Inchauspé; Mr Gundelach . . . . .	205

- Question No 18, by Mr Leonardi (See Annex) . . . . . 206
- Question No 19, by Mr Howell (See Annex) 206
- Question No 20, by Sir Geoffrey de Freitas: Steel industry (deferred) . . . . . 206
- Question No 21, by Mr Lagorce (See Annex) . . . . . 206
- Question No 22, by Mr Prescott: Hoffman-La Roche appeal to the European Court of Justice (deferred) . . . . . 206
- Question No 23, by Mr Normanton: European motor industry: Mr Burke; Mr Normanton; Mr Burke . . . . . 206
- Question No 24, by Mr Dalyell: Survey on scientific research (deferred) . . . . . 207
- Question No 25, by Mr Pisoni: Sickness insurance of officials of Community Institutions in Germany: Mr Burke; Mr Granelli; Mr Burke . . . . . 207
- Question No 26, by Nyborg: Reduction of third countries' fishing-quotas in Community waters: Mr Gundelach; Mr Nyborg; Mr Gundelach; Mr Spicer; Mr Gundelach; Mr Jensen; Mr Gundelach; Mrs Ewing; Mr Spicer; Mrs Ewing; Mr Gundelach; Mr Jahn; Mr Gundelach . . . . . 208
12. Draft Amending Budget No 2 for 1977 — Report by Lord Bruce of Donington (Doc. 387/77) (vote) . . . . . 210
- Draft amendments to Title 3:
- Lord Bruce of Donington; Mr Aigner; Mr Lücker; Mr Aigner; Lord Bruce of Donington; Mr Nyborg; Mr Aigner; Lord Bruce of Donington; Mr Yeats; Mr Aigner . . . . . 212
- Adoption of resolution . . . . . 215
13. Economic situation in the Community — Reports by Lord Ardwick (Doc. 377/77) and Mr Santer (Doc. 345/77) (vote)
- Consideration of the motion for a resolution contained in Doc. 377/77:
- Amendment after paragraph 4: Lord Ardwick, rapporteur . . . . . 215
- Amendments to paragraph 6: Lord Ardwick; Mr Damseaux . . . . . 216
- Amendment after paragraph 8: Lord Ardwick . . . . . 216
- Amendments to paragraph 9: Lord Ardwick; Mr Glinne . . . . . 216
- Amendment to paragraph 10: Explanations of vote: Mr Klepsch, on behalf of the Christian-Democratic Group; Mr Glinne, on behalf of the Socialist Group Mr Burke, Member of the Commission . . . . . 217
- Procedural motion: Mr Broeksx . . . . . 217
- Explanation of vote: Mr Schwörer . . . . . 217
- Adoption of the resolution contained in Doc. 377/77 . . . . . 218
- Adoption of the resolution contained in Doc. 345/77 . . . . . 218
14. Sixth Report on competition policy — Report by Mr Cousté (Doc. 347/77) (vote)
- Adoption of resolution . . . . . 218
15. Directive on goods exported for repair — Report by Mr Emile Muller (Doc. 343/77) (vote)
- Adoption of resolution . . . . . 218
16. Research policy — Reports by Mr Holst (Doc. 361/77), Mr Veronesi (Doc. 348/77) and Mr Edwards (Doc. 349/77) (vote) . . . . . 218
- Consideration of the motion for a resolution contained in Doc. 361/77:
- Amendment to paragraph 15: Mr Holst, rapporteur: Mr Noè . . . . . 218
- Adoption of resolution . . . . . 218
- Adoption of the motion for a resolution contained in Doc. 348/77 . . . . . 218
- Consideration of the motion for a resolution contained in Doc. 349/77:
- Amendment to paragraph 3: Mr Holst, deputy rapporteur . . . . . 218
- Adoption of resolution . . . . . 219
17. Regulations on energy-saving — Report by Mr Brown (Doc. 362/77) (vote)
- Amendment after paragraph 10: Mr Holst, deputy rapporteur . . . . . 219
- Adoption of resolution . . . . . 219
18. Decision on large urban concentrations — Report by Mr Evans (Doc. 351/77) (vote)
- Adoption of resolution . . . . . 219
19. Regulation and decision on the financing of food aid — Report by Mr Aigner on behalf of the Committee on Budgets (Doc. 382/77)
- Mr Aigner, rapporteur . . . . . 219
- Lord Bruce of Donington, on behalf of the Socialist Group; Mr Gundelach, Vice-President of the Commission . . . . . 220



20. <i>Transfer of appropriations . . . . .</i>	222	<i>Lord Bruce of Donington, rapporteur . . .</i>	225
21. <i>Regulation on the carriage of goods by road — Report by Mr Giraud on behalf of the Committee on Regional Policy, Regional Planning and Transport (Doc. 380/77)</i>		<i>Mr Burke, Member of the Commission . .</i>	227
<i>Mr Albers, deputy rapporteur . . . . .</i>	222	23. <i>Additional protocol to the EEC-Malta agreement — Report by Mr Bersani on behalf of the Committee on External Economic Relations (Doc. 378/77)</i>	
<i>Mr Brugger, on behalf of the Christian-Democratic Group; Mr Nyborg, on behalf of the Group of European Progressive Democrats; Mr Burke, Member of the Commission . . . . .</i>	223	<i>Mr Martinelli, deputy rapporteur . . . . .</i>	228
22. <i>Unfreezing of appropriations — Report by Lord Bruce of Donington on behalf of the Committee on Budgets (Doc. 388/77)</i>		<i>Mr Amadei, on behalf of the Socialist Group; Mr Burke, Member of the Commission . . . . .</i>	229
		24. <i>Agenda for the next sitting . . . . .</i>	230
		<i>Annex: Questions to the Commission which could not be answered during Question Time, with written answers . . . . .</i>	231

## IN THE CHAIR: MR BERKHOUWER

(Vice-President)

(The sitting opened at 10 a.m.)

**President.** — The sitting is open.

### 1. Approval of the minutes

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

Are there any comments?

The minutes of proceedings are approved.

### 2. Documents received

**President.** — I have received from the Council requests for an opinion on:

- a proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables and Regulation (EEC) No 2601/69 laying down special measures to encourage the processing of certain varieties of oranges (Doc. 389/77).

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

- a proposal from the Commission to the Council for a regulation relating to the fixing of representative conversion rates in agriculture (Doc. 390/77).

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

### 3. Budgetary procedure

**President.** — I remind the House that at 3.45 p.m. today we are to vote on draft Amending Budget No 2, to which two draft amendments have been tabled. According to the provisions of the Treaties, the adoption of these amendments requires a majority of the Members of the European Parliament, which, with the membership of the Parliament as it stands at present, means 100 votes in favour.

### 4. Directive on goods exported for repair (debate)

**President.** — The next item is the report (Doc. 343/77) by Mr Emile Muller, on behalf of the Committee on External Economic Relations, on the proposal from the Commission to the Council for

a directive on the harmonization of provisions laid down by law, regulation or administrative action in respect of standard exchange of goods exported for repair.

The rapporteur has decided not to introduce his report orally, and no one has asked to speak.

### 5. Research policy (debate)

**President.** — The next item is a joint debate on

- the report by Mr Holst, on behalf of the Committee on Energy and Research, on the communication from the Commission to the Council on the common policy in the field of science and technology (Doc. 361/77);

- the report by Mr Veronesi, on behalf of the Committee on Energy and Research, on the proposal from the Commission to the Council for a decision laying down a multiannual research and develop-

## President

ment programme in the field of primary raw materials (indirect action) (1978-81) (Doc. 348/77); and

- the report by Mr Edwards, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council for a first programme of research projects in the field of medical and public health research (Doc. 349/77).

I call Mr Holst.

**Mr Holst, rapporteur.** — (DK) Mr President, ladies and gentlemen, Community cooperation is developing in two ways: existing cooperation is being extended and there is new cooperation in new areas.

We often talk of the Community tasks of the first and second generations. The tasks of the first generation are those prominent in the Treaty of Rome, and the Community tasks of the second generation, leading on from these, comprise tasks considered appropriate for action. Examples of these are the environment, regional, industrial and research policies. Apart from nuclear research, there is no mention of research in the founding treaties and cooperation in this field has been very limited. Gradually, however, the feeling has grown that the Community should increase its cooperation on research. Hence the Commission's communication to the Council on guidelines for policy in the field of science and technology for the period 1977-1980 is a particularly important and particularly welcome document. It proposes that existing scientific cooperation be continued and expanded. The Commission presented its initial reflections on the aims of this research cooperation in a document entitled 'Objectives, Priorities and Resources for a Common Research and Development Policy'. That was in 1975, and since then the Commission has tried to develop and define more closely some aspects of this cooperation and the committee is very pleased that it has done so.

The Commission's proposal is divided into four sections and there are three pieces of draft legislation firstly a resolution on the guidelines for the common policy in the field of science and technology, then a decision on the promotion of industrial research projects and a decision on a research programme on forecasting and assessment in science and technology. The Commission is thus fully aware of the desirability of pursuing research and development. The Commission's object is to define and implement research programmes of Community interest and to coordinate research policy in the Member States. The Commission justifies this in terms of the Community's general — and I must stress that it is very general — objective of social progress, balanced economic growth and an improvement in the quality of life. Within this context the Commission has given priority to the following four areas, which meet the committee's approval: energy, agriculture, raw materials and water,

and, as part of economic development, increasing the competitiveness of the Community's industries so as to meet the challenge from abroad; finally, a more general point with which I think everybody can agree, improving citizens' living and working conditions and last of all, but this should perhaps have been first, protection of the environment and of nature. Thus policies on particular sectors such as energy and the environment must not stand alone but be coordinated with various areas of research so that a number of sectoral areas can be supported and developed at the same time.

We are very happy that guidelines have been set down for what are called 'principles on which selection is based'. It might otherwise be difficult to select the research projects to be encouraged, and here we consider that by setting down efficiency and rationalization as the first criterion, followed by transnational nature and transnational markets and common requirements, the Commission has drawn up a list of priorities which the committee can approve.

The Committee on Energy and Research also considers it correct and desirable that clear objectives have influenced this list of priorities for selection criteria. We do not feel that it is possible to draw up and support a research policy if our actions are not always directed towards our objectives. To say that in the energy sector, which is greatly valued and which receives high priority, a flexible research policy will be appropriate is, we feel, so general that everyone can agree with it. We agree with the Commission when it says that in the medium and long term development of nuclear and alternative energy sources will be of particular importance. We also feel it right that the related areas of safety and disposal should be considered not only from the point of view of research and technology but perhaps even more from that of what we might call the people's conception of the safety of nuclear energy.

The saving of raw materials requires measures in the form of recycling, substitution and product design. This is an objective to which we can all subscribe — namely, to increase the Community's self-sufficiency and enhance our opportunities for becoming independent of other, not necessarily foreign, interests; that is to say, if we only have a limited volume of energy available, savings must be made of both energy and resources, partly by means of research into the opportunities for saving and partly by research into alternatives.

I was rather astonished that the environment and life in society, came so low on the list. Perhaps it should have come first, and I should like to think that Mr Brunner will say that of course it is understood to be at the top. If two of the four priorities obtain only 5.4 % of the Community's total research budget, one is entitled to say that no much weight is in fact

**Holst**

attached to the scale of priorities. It is also surprising that new research projects are not included under the heading of the environment, because there must be an opportunity here for coordination between the nine member countries of the Community; moreover, this is a sphere in which the people would show considerably greater interest and understanding. Here relatively modest budgetary expenditure can yield relatively large returns, because our people — or our electors — can see immediately that Community expenditure on research is achieving something.

I regret the absence of any mention of research into industrial medicine. Here I am thinking of the millions of workers in the Community, who are working in industry and agriculture under increasing pressure and increasing rationalization and at the same time working with new products, new chemical compounds, the effects of which are quite unknown in both the short and the long term. I would have liked to see such onerous working conditions made the subject of a research project, and here I would again say that I believe that the many millions of citizens in the Community would have greater understanding for this research than, perhaps, for more scientific subjects, where it is more difficult to see the immediate advantage or the immediate result.

The Commission rightly states that the coordination of national projects has not had very marvellous results so far. We regret this very much, because it is true that, in many cases, there is duplication of research in the nine Member States. It is also true that we ought to promote research which does not directly have divergent results or tendencies. It might also be right to attempt a gradual harmonization of the procedure for adopting and implementing a Community policy. I believe that each country has its national points of view on research, as regards both the practical application of results in industry and also the honour of having the largest number of research projects of international renown. All the Member States would like to obtain Nobel prizes for their researchers. The committee shares the Commission's view that it is regrettable and disappointing that there has not been greater success in coordinating national research.

We see from the communication that there is a large number of advisory bodies advising both the Commission and the Council and that they are presumably comprised of very highly qualified researchers and experts. The committee, however, has the impression that this creates a very complicated and rigid decision-making process. We have no simple suggestions to make to the Commission, apart from pointing out that any simplification would make it easier for the people to understand why resources are made available to research. The Commission has also recommended on this last point that the mandate for the

Joint Advisory Committee on Programme Management coordinating the various types of activity be extended so as to include coordination between national programmes and Community programmes. This, again, meets with the committee's approval, even if we are not particularly confident that very much will be achieved by it; but of course we do support it as much as we possibly can.

Finally, there is an area to which the Commission attaches great importance and on which I can say that the committee feels that it is almost as though the points of view put forward in the past by the Committee on Energy and Research have been now adopted. Here I am thinking of financial aid to international projects carried out by small and medium-sized firms. There is no doubt that the very large firms understand that investment of both finance and manpower into research projects is necessary if their competitive position throughout the world is to be maintained. Here the committee feels that the Commission has paid attention to Report No 75/77, drawn up by our chairman, Mrs Walz: we appreciate this, and we interpret it as an indication of a certain agreement which exists between the Commission and the committee on the general approach to research. Even if it is often said that there is no real common industrial policy, we can well understand it when the Commission says that the pressure of competition in certain areas has been so great that we can only see ourselves through if we make an extraordinary effort in the sphere of Community research. This applies to aeronautics, data-processing, telecommunications and transport, and also energy.

Here I should perhaps mention a reaction in the Committee on Energy and Research the other day. A sigh of relief went round the entire committee that agreement had been reached on the JET project. It is not directly stated in this report, but I think I must tell the Commission. I think also that it came as a great relief to the Commission as well. It happened at the eleventh hour. One may well ask how near we have to approach the edge of the abyss before a decision can be taken.

I think it is right to intensify research in the areas proposed by the Commission. It is clear to us that research undertaken today may have a very long-term effect, and it is therefore right to employ this long-term perspective when considering what activities to undertake. This was also the fundamental idea in the Commission's action programme on forecasting, assessment and methodology in 1974.

Mr President, I see that you are lifting your hammer and therefore I shall finish by saying that the committee approves the Commission's present proposal. But I should just like to draw attention to paragraph 16 of the resolution, where we say: 'Requests that the Commission report annually to the European

**Holst**

Parliament on the implementation of the research programme on forecasting', and paragraph 17, where we recommend that an amendment be incorporated ensuring that no kind of obligation or limitation may under any circumstances be imposed on the European Parliament in the exercise of its budgetary powers. We regard these two things as very important. Finally — although, of course, we have been entirely agreed on the importance of this point — we do understand that there has to be a large degree of unity if we are to obtain larger budgetary appropriations for research programmes. Last of all, Mr President this report has been discussed in the Socialist Group, which unanimously approves it in its present form.

**President.** — Mr Veronesi has decided not to introduce his report orally, but will speak in the debate.

I call Lady Fisher.

**Lady Fisher of Rednal, deputy rapporteur.** — Mr President, I present this report on behalf of Mr Edwards, and would like to commend it to this Parliament.

This will be the first time that any coordination of research in the field of medicine has been undertaken by the EEC. The method proposed in this case is that of concerted action, in which the direct costs involved are for coordination, the cost of the actual research being borne by the Member States. In the proposals we have before us, the costing is for coordination and dissemination between the Member States.

It is important to emphasize in the report that we are starting on the registration of congenital abnormalities in children, from which we can go on to cellular ageing and the diseases found in an ageing population. What the research is trying to cover, I suppose, is the very young and the very old, presuming that those in the middle do not need so much medical research at present. The third part of the document covers research on those unfortunate people who have to be kept alive by means of medical machines. It is therefore a very comprehensive piece of research which is being carried out in the Community, and all Member States are joining in with the exception of Luxembourg, which is participating only in the registration of congenital abnormalities.

The proposal is, I think, intended to cover not only hereditary abnormalities, but also those caused by the environment. The problems of the aged, particularly with regard to eyesight, are given particular attention in the document, and one of the priorities Mr Edwards would like to see considered in the future is the whole question of dentistry. Even when these research programmes have been completed, we hope that the Commission will initiate further measures, since the coordination of research in medicine is something that, once started, ought to be continued. One has to accept that anything that helps to alleviate

suffering in the Community is something to be encouraged.

I understand that there is an amendment on the agenda regarding dentistry and its eventual inclusion by the Commission. I raise no objections to the amendment and hope, as I said previously, that the Commission will take this as a starting-point in the coordination of medical research and will continue with it.

Even though the research is complicated — and any medical research is perhaps difficult for the lay person to understand — we hope that not only the national parliaments will receive reports on the research, but also this Parliament will be kept informed about this particular research programme as it goes through the three and four-year cycle, and at the end be given what might be called a layman's guide to what has been achieved.

With those few brief words, Mr President, I commend the report to Parliament.

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

**Mr Willi Müller.** — (D) Mr President, ladies and gentlemen, I would like briefly to give the comments of the Socialist Group on the reports by Mr Veronesi, Mr Holst and Mr Edwards that we are now considering.

My group agrees with the reports as they stand. We realize — and it is time for this to be clearly stated — that the European Community is not dependent solely on oil as a raw material. One way of securing our supplies of the raw materials we need is to organize trade with our partners in the Third World. This is one of the main objects of the North-South Dialogue. Seen from that angle, a new economic order is necessary in order to stabilize the incomes of those countries in the Third World that are practically wholly dependent on exporting their raw materials.

A second possibility is to develop to the full the potential sources of raw materials within the Community itself — and this is covered by the Commission's proposals. It is what the multiannual programme is designed to achieve. The intention is that projects will be implemented, in the framework of indirect action, in the Member States themselves. These include development projects and new exploration techniques such as improvements to methods for prospecting concealed, deep seated deposits. My group is also pleased that remote sensing techniques will be used for detecting deposits. The Socialist Group is also gratified that attempts will be made, using improved techniques, to mine so-called lean ore bodies and to improve oreprocessing methods where difficulties are caused by inefficient extraction. The projects also cover mining technology where the aim is to reduce the cost of materials and operations in deep mines.

**Willy Müller**

Lastly, we also welcome Mr Veronesi's recommendation that preference be given to public research institutes and national public industrial corporations. However — and this we have all too often to repeat in the plenary Assembly — we regret that the responsible committee has once again been forced to deal with this proposal by the Commission in some haste. We hope that, in future, the Commission will submit its proposals early enough to allow thorough discussion in the committee concerned.

Mr President, I would like to add one personal comment to these remarks on behalf of my group. Mr Jahn and I have made a supplementary proposal — and Lady Fisher has already referred to this matter — that the report include the possibility of extending research to include the widespread disease of periodontosis. I would be grateful if it were possible for the House to decide in favour of this.

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

**Mr Fuchs.** — (D) Mr President, ladies and gentlemen, 'Europe has only one chance in the future, and that is if it recognizes the key role of research and technology for European policy'. This sentence from the Commission's guidelines is the *leitmotiv* for this whole subject, for the reports and for the Commission's proposals. The reports by Mr Holst, Mr Veronesi and Mr Edwards have the stamp of this conviction, and I would like to thank all three of them sincerely for their work.

The Christian-Democratic Group warmly welcomes these proposals. They link up with the Council Decision of January 1974 and are also the outcome of the European Parliament's resolution of April this year and the report by Mr Schwörer. But I would also like to say, on behalf of my group, that the handling of these questions must be allowed the proper length of time. The Commission's proposal dates from July of this year that is, from just before the summer recess. Very little time is now left to us. I would point out that these new guidelines are intended for the years 1977 to 1980. By the time the relevant resolutions are approved by Parliament and finally considered by the Council, 1977 will already be over. I would therefore ask the Commissioner, if this is at all possible, to ensure that such, as I see it, important proposals are submitted to Parliament early enough for them to be studied with the care they merit.

Ladies and gentlemen, even those who agree on the significance of research for the future may wonder whether it is really the Community's task to be active in this field. This is certainly not the case in all areas. Clearly, precise and strict criteria must be laid down in accordance with the Community's requirements. I would, however, like to express my satisfaction that these precise directives and criteria are laid down in

the guidelines. Lastly, I would like to say that we are all convinced that the solution of scientific and technical questions is of decisive importance for the survival of future generations. I need merely point to the basic energy problem or the shortage of resources in our Community. For our Community to stand aside and do nothing would be to fail in its responsibility to future generations. Missing the train probably means losing all hope of catching the next one. Perhaps there will be no next one. So we must act now if the future is not to be thrown away.

Of course, the Community should intervene only where this is necessary. A commitment to back any project that happened to come up would also be wrong. This danger exists too, of course. Assistance for such projects would be not only undesirable but positively harmful, because, with the limited financial resources available, measures that are really necessary would be left out. I would like to stress in particular, on behalf of my group, that strict criteria must be observed in this whole research proposal, such as clear cut and technically warranted priorities. Here I refer in particular to the field of raw materials, the energy question and agriculture of course, but also and especially to scientific and technological development in the industrial field and the question of innovation, because this is absolutely necessary for the economic competitiveness of our Community on the world market.

It is also necessary that we concentrate on what is essential, on those things that are really vital to existence. It seems to us that, as far as possible, we should avoid looking at individual problems in isolation. We should always see them in relation to one another. I believe that Mr Noè was right, in the debate on the guidelines for regional policy, to point to this phenomenon of interdependence. For example, the shortage of raw materials, environmental protection and the maintenance of employment could be dealt with at one and the same time. Many of the projects proposed by the Commission are suitable for applying this principle. In so doing we should in no way forget the principle of rational behaviour, and before anything else this means coordination. In this I see, in particular, a task for the Community's science and technology policy, a point which I am happy to see is made in the proposals. Duplication of effort should be avoided in all cases because it means higher costs, and here I would like to point out above all — and this too has already been said by Mr Holst — that cost-awareness is particularly important in all these projects. For this reason, advisory committees will certainly be necessary, but I would like to say that, in the thinking of our committee and our group, we should keep solely to what is really justified, since otherwise, I feel, we might not be left with a good conscience in this question.

## Fuchs

I would make the point that, in the end it is a matter of achieving results that can be put to practical use — not a question of *l'art pour l'art*. Research for the sake of pure research, of course, is necessary in our intellectual life, but it cannot be the duty of our Community. It is the rôle of the universities, for example, but even there co-operation is possible. Our problem is to improve the basic conditions we need to master the problems of the future. Industrial innovation has certainly a very important part to play in this, and in this connection, on behalf of my group. I would refer with especial emphasis to small and medium-sized firms. I am pleased to see that these, too, are mentioned in the Commission's proposals, for it is precisely here that help can be given. Here, for example, by bringing such firms together in co-operative arrangements or associations, opportunities can be created for the development of new industrial techniques and I would like an especially high place to be given to this need, for it is extremely important for the maintenance of employment. Time and again we concentrate too much on the big firms, and perhaps on the well-known and, in the eyes of many notorious multinationals, but the vast majority of workers are employed by small and medium-sized firms and it is they who largely form the basis of our economy.

Next I would like to refer, with especial emphasis, to something that we should not forget, namely, the control of results in all these programmes. The point was rightly made, during the discussion of proposed amendments already settled in committee, that, for example, not only the Council should be kept informed but also the European Parliament, if necessary by interim reports, in order that we may be able to change course if we see that we are going up a blind alley or following a trail that leads in a direction we do not want to go.

Next I would like to mention something that may seem surprising but appears important to me, and that is the question of greater publicity for the whole enterprise. This is certainly not all that simple, for the reason that scientific problems do not, of course, appeal to a wide public. Interest is limited, but surely there is much that could be reported in the relevant technical press and I am also convinced that many of the measures that have already been proposed or are yet to be proposed could be made intelligible to a broader public, possibly even on the television. I would just refer to energy or health, in which every member of the population is understandably particularly interested. We should seize every opportunity to bring the work of the Community to the notice of the public, and I feel that this sector, too, is suitable for the purpose.

On these conditions, the Christian-Democratic Group welcomes these programmes, and since both the

detailed projects that are now before us meet those conditions we also welcome the proposal for the development of primary resources which is dealt with in the Veronesi report and, naturally, the first scientific attempt at co-ordination in the sector of medical and public health. Raw materials, in particular, are of absolutely decisive significance. The question whether we are able to improve the basic raw materials situation may possibly, in a few decades, be decisive for future generations in Europe.

I now have one comment to make on the Veronesi report. I said that the motion for a resolution had our full support. Contrary to what Mr Müller said, however, I would like to add that we cannot agree that preference should, *a priori*, go to national enterprises.

Perhaps I might quote from paragraph 23 of the explanatory statement, which says:

Other things being equal, preference will be given to public research institutes and to national public industrial corporations or associations formed by them.

Ladies and gentlemen, this provision has doubtlessly been framed, looking through the spectacles of political ideology. But we should place ourselves at the factual level. In our view, the criterion must be nothing more nor less than scientific qualifications, real past achievements and the conviction that the relevant scientific problem can be solved.

I would also like to say that, from experience, this kind of mistrust of private-enterprise institutions that comes out in this way in the Veronesi report is completely unjustified. The facts prove the opposite, for a privately-owned firm, depends far more on success, because otherwise it will not be given another similar contract. It is, so to speak, under compulsion to succeed. We all know what happens in the case of a public enterprise. Of course, there, too, there are suitable institutions, but if they meet with a failure, this does not hit the institution concerned particularly hard, because in the end, even in the event of failure, the taxpayer — in other words to a large extent the ordinary worker — pays. Here too — if I may use a Bavarian expression — we should 'leave the church in the village' and only make grants where the best results are produced. The motivation to succeed must unquestionably be much higher in the case of a privately-owned firm, because the risk is higher too, supposing — that is — that the firm wants to win a further contract.

So I would just repeat that the question of research in the primary raw materials sector seems to us to be particularly urgent and therefore we welcome this research programme. The same applies to the first programme in the sector of medicine and public health. Here too, the general guidelines — in my view — are complied with and the object really is genuine

**Fuchs**

co-operation. It is a question of linking up many different research projects in the individual countries in order to produce a joint result.

Naturally, whether the three proposed actions have absolute priority one cannot, as a layman, readily judge. But the decisive thing is that a rational step has really been taken in that direction and, according to the explanatory statement that has been given and the detailed analysis of the individual projects, this is really the case.

Mr President, I must of course keep within my time-limit and I shall therefore bring my remarks to a close by repeating that the Christian-Democratic Group approves these three reports without reservation.

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

**Mr Cifarelli.** — (1) Mr President, ladies and gentlemen, I shall be a day late at the Congress of the Federation of Democratic and Liberal Parties, because I wanted very much to take part in this discussion, which I regard as extremely important.

I must say that the facts show that Mr Durieux, chairman of our group, was right when he proposed that the three reports be discussed together. Our cordial thanks are extended to the three rapporteurs and the committees they represent for the work they have done.

The fact of having these three reports discussed together has increased the range of the subject under consideration and has also increased the risk of repeating points that have already been the subject of much discussion in Parliament, whether in relation to research policy proper, the serious problems of the Common Research Centre or regional policy. I shall therefore confine myself to a few comments that seem to me worth especial consideration.

In the communication from the Commission on the common policy in the field of science and technology (Doc. 229/77), I feel that the part headed 'Brief analysis of public financing of research and development activities' is extremely important. The tendency to prefer words to deeds, which is a serious risk in every democracy, is even more serious in a complex and multiple democracy such as that represented by our Community. Well now, three very serious facts emerge from this document :

1. Research expenditure in the budget of every Community country is on the decrease ;
2. The ratio between Community expenditure and that earmarked for research in the national budgets is steadily becoming less favourable to the Community ;
3. In the use of resources from the Community budget there is an excessive or one-sided, to say the

least, preference for the energy sector to the detriment of other important sectors, which are not, therefore, covered.

Now I think that this Parliament should be the instrument for sounding this alarm signal in the ears of the political forces that it represents and in the individual national parliaments. If the Community, faced with the worrying phenomena of inflation and recession, the increase in unemployment, especially among the young, and the persistent tendency towards inertia and the lack of initiative — like someone in a storm-tossed boat at the mercy of the waves, who, instead of helping as he should in the joint efforts of all the sailors to head into the wind and try to reach a safe position, struggles frantically or clutches the mast or the ship's sides — if the Community, as I was saying, does not react it will prove that it is unable to do its duty, and above all the members of the parliaments and governments of the Member States will show that they are unable to do theirs.

Today, more than ever, scientific and technical research, whether basic or applied, is of the utmost importance ; just as vital are the programmes, which the Commission proposes to co-ordinate and intensify, above all in relation to the economic problems with which we are faced. Today, and we can see this at its clearest in the sector of energy supplies, we are under pressure from other peoples, from other continents, and we are therefore forced to fight tooth and nail to preserve our way of life. Those who talk loudly of reforms and social needs should, once for all, realize the vital need to overcome, through scientific research, the serious problems of the shortage of energy and raw materials and to avoid the negative effects arising out of the change in the international balance of power. But let us be clear ; saying this, we do not in any way intend to set ourselves against other peoples in neocolonialist fashion. On the contrary, like us, they have the absolute right to benefit from the resources at their disposal. On the other hand, we feel that it is a fundamental duty for us to make provision for our needs in adequate fashion. In this connection, I cannot help thinking of Great Britain. When Naziism was recording success after success, that country found itself in a situation of extreme shortage as regards armaments and field forces. However, through scientific and applied research, by a determined effort and making the means suit the end, Great Britain showed how it was capable of recovering lost ground and coping with the worst. And these words seem to me to be the best comment on that other part of the Communication from the Commission — pages 54-55 — where it invites us and the Council to demonstrate our coherence. Three years have gone by since the Council passed its resolution on 14 January 1974, but very little has been done to try to eliminate duplications, increase efficiency and reduce the cost of the actions engaged upon.

## Cifarelli

From this viewpoint, we feel it is extremely important for the Commission to give its active support to the European Foundation for Science and all the initiatives taken in the various Member States. To Commissioner Brunner we would say that we would have preferred to see greater importance given to Crest and its sub-committees. We doubt, in fact, whether the advisory committees for programme management are sufficiently strong or carry sufficient weight from the political viewpoint to effect a high degree of co-ordination and to overcome, as is stated somewhere in the report by the committee, the barriers of both military and industrial secrecy. We consider that the Commission itself should tackle and solve the problem of co-ordination and joint effort. The EURATOM experiment, that of the Common Research Centre and the JET project, the site for which, after a long wordy conflict, has now been settled through inter-governmental meetings, show that when we leave the field of words and phrases for that of decisions, we are capable of fighting some very tough battles.

The problem of whether we should concentrate on private enterprise or public undertakings for this research has already been raised. Here I would say that, whilst due credit should be given to private initiative in line with the traditional liberal doctrine, we must realize that practically everywhere in the world there is a trend towards the so-called two-sector economy and the division of effort between private and public sectors. It is clear that certain research projects, because of the resources committed and the time within which the research has to be carried out, demand public involvement. A moment or two ago I heard it said — although I do not agree — that the public sector might, if it failed at a given moment, give up whereas the interest of the private sector is keener and it will therefore concentrate on overcoming obstacles. Allow me to say that this is not an absolute rule. When a private firm, even a multinational firm, acts it always has in the back of its mind concern about finance, about income and expenditure, and the possibility that economic failure means crisis and bankruptcy. It therefore aims at shorter-term and closer-range objectives. Public-sector activities, on the other hand, if properly organized and controlled, generally tend to be of a more lasting nature, because resources are greater and it is possible to continue with a project for reasons going beyond the immediate objective. I therefore feel, precisely because the economics of our era so require, that what is wanted is co-ordination between the private and public sectors, as in the case of the state holdings in my own country.

As regards financial resources, my group agrees with the conclusions in the Veronesi and Holst reports. It is our wish too that the budgetary appropriations should not be the last word but should be changed and modified according to needs and experience

gained during the three-year period, just as it is also our wish that the 'pro mem.' entries should be converted into quantifiable appropriations.

Ladies and gentlemen, there are certain proposals about which I am pleased but sceptical. Certain estimated expenditures in various sectors — regional, economic and social — seem to me in some cases to be more in the nature of professions of good will than guarantees of an effective impact on the situation. Look, for example, at the phenomenon of youth unemployment, or just unemployment *tout court*, and at the phenomenon of regional re-equilibrium. The fact is that the relevant appropriations in our Community budget are often just manifestations of goodwill. Let us make sure that the appropriations earmarked for research — the only area in which the Community can act in the first person — do not suffer the same fate.

Here I would like to stress something that is not so much an economic or social aspect of these problems but rather a matter of political ethics. Whether they concern raw materials and energy or the broader problem of the non-duplication of such research, the budgets can be justified only if waste is avoided and if we do everything to ensure co-ordination and prevent dispersal. If not, we shall be behaving like that monk in the mediaeval tale who was given a cake and told his brethren who asked to share it with him: 'No, the cake is mine'. Then, during the night, when he called the other monks because of the pains in his stomach and told them that the pain should be shared amongst them, they told him: 'Keep the pain, since that is yours, too'. Big and small, the Community countries are behaving like this monk and we must prevent this from happening.

We have before us a programme covering three years. Well now, we must see this programme through to the end. We have been made an extremely significant and meaningful proposal — namely, the creation of a mechanism enabling research projects to be assessed now and for the future. This mechanism, this system of forward assessment, is the most modern instrument that could be imagined to the extent that it will enable us to deal with present and future mistakes. None of us would want to bet on the future — we are not astrologists or prophets — but it is clear that whoever does scientific research has to think about the future. So the Community is battling against time, both to recover the time that has been lost and to be able to be properly armed and properly equipped to assess, in terms of the future, the efforts that are being made now. This is an economic and a social need, but above all it is an ethical and political need.

Because of the generations to come, because of the Third World, because of the need for peace — for if these problems are not resolved then the peace of the world will not be safeguarded — because of the basic need to maintain the freedom of our nations and



## Cifarelli

the Community as a whole, we must apply ourselves to the tasks with all our energy and the utmost resolution. We want to create European union. Well, with due respect to the person I am about to name, we want the President of the European Union to be elected by Europeans and not — just to refer to a country with a wealth of energy resources — the King of Saudi Arabia. We respect him, but we want to be free in our own homes.

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

**Lord Bessborough.**— Mr President, at the beginning of my speech, I would like to say how much I regret that these debates have been lumped together. I am not against joint debates, in principle, when the subjects are closely related, but I do think that the relationship between raw materials and medical research is very tenuous indeed. I hope that, in future, the Bureau will keep an eye on this and not immediately take the easy way out by having a joint debate. It does make it confusing for us and it really is impossible to cover all the many aspects of these three most interesting reports. Therefore, in view of the time limits, I am going to devote myself entirely to Mr Veronesi's report and I hope that my noble friend, Lord St Oswald, who I hope will be joining us in a moment, will discuss Mr Holst's report.

With regard to raw materials, there is no doubt that those of us who seek to develop industrial methods, and the means of creating wealth, will certainly support the Commission's admirable programme. Together with the availability of energy carriers, the search for additional sources of raw materials requires us to explore and exhaust techniques for the extraction of minerals from difficult sources, and to refine methods of identifying minerals. As Members of Parliament we must give expression to the fulfilment of this need by facilitating the funding of these projects. The European Conservative Group welcomes these proposals as a step towards increasing the supply of fundamental raw materials.

The process of working these materials and, thereby, adding value in order that others can purchase and use the product, is an economic activity common to all societies and political systems. It finds its most efficient application in the free-enterprise industrial societies of the United States, Japan and Western Europe. Initially, the proposed programme concerns the exploitation of the raw-material potential of the Community itself. The Community's advanced technological industries require these rare and expensive alloying elements — copper, aluminium, vanadium, manganese, tungsten, germanium and uranium.

The added-value industries of electronics, aerospace and defence equipment, and indeed pharmaceuticals, require these and other materials. They are the source

of livelihood of the people of Europe, as those nations with burgeoning industries introduce the basic manufacturing processes using traditional materials.

But in the medium to long term, the successful achievement of this research and development programme will provide a technology which Europe can share with its friends among the Lomé Convention states. The Community cannot pretend to possess vast resources of this kind itself. The Lomé Convention states, on the other hand, possess in varying degrees materials with which they could, if they chose, strengthen their relationship with the Community. The Peoples' Republic of China, from which I recently returned, has an equal need for the Community's extraction and refining technologies. The Peoples' Republic supports the developing relationship with the Lomé Convention states and would, I believe, like to help supply the Community's needs. Here are the seeds for a long-term — I would hope long-lasting — relationship between Europe and China, and between Europe and the Lomé states.

The mining industry estimates that 60 million units of account is the required investment in new mines during the next ten to twenty years — ten years being the average lead-time to bring a mine on stream in order to maintain the current level of material supplies.

Now where are the future mines? It would be very comforting to claim that they are in the Community. Yet in the land mass that constitutes our Community, Greenland seems to be the only great unknown, and her meteorological conditions and her famous icy mountains may well preclude a massive exploitation of her resources. Therefore, apart from Canada and Australia which have their own uranium mining problems, it is to our partners in the Lomé states and to China that the Community must turn. The next meeting of the ACP-BEC Consultative assembly should address itself urgently to this problem. Their and our economic well-being have a one-to-one relationship in meeting the need. It is a challenge to the statesmanship of the leaders of the ACP countries, and to the Community's institutions.

Although I agree broadly with the Veronesi resolution, I consider with all respect, — and here I agree largely with the admirable speech by Mr Fuchs — that the report fails perhaps to give full credit to the initiatives of private entrepreneurs in prospecting and mine developments. The main thrust of new exploration has always been undertaken by established mining companies. The Soviet Union's intermittent approaches to American and Japanese firms to develop the mineral resources of Siberia and Soviet Central Asia, are proof of the failure of the Socialist system to provide the technology and the finance, and of the Socialist failure to make the risk of exploration in the Soviet Union an attractive one.

### Lord Bessborough

Those Members closely involved with the Lomé Convention states know well these countries' wish to control at least the majority of the equity of mines established in their countries. As in the Soviet Union, the state-controlled formula does not seem compatible with the development of new mines, or with an adequate level of exploration interest. When the Veronesi report refers, in paragraph 13 (d) to the 'complexity of the international market, featuring a number of business concerns, concentrations of multinationals and governments', it contains an innuendo concerning the commercial behaviour of large mining companies, companies which have been concerned to create market conditions that would provide stable incomes for the host governments. That is not a very helpful statement.

During the worldwide economic recession, these market conditions have been difficult to establish, and the Community, uniquely among the industrialized nations, has established the STABEX system in order to insulate developing countries from the worst effects of the recession.

It would, in my view, have been more appropriate if the report had referred to the vulnerability of mining companies' assets. In some countries, governments are so unstable that companies' mining equipment can be expropriated overnight. Host governments can unilaterally change the operating conditions. Apart from natural disasters, there is also the risk of spoliation, a development in which the operating conditions gradually change disadvantageously. There have always been substantial risks involved in mining. In the present circumstances in many developing countries the increased risk is not matched by an increased reward. The result, money from investment in new mines has already dried up, and I would expect Professor Veronesi as a shrewd Euro-Communist, to learn from the mistakes of the Soviet Union, and to see that the same mistakes are not perpetuated elsewhere.

Finally, paragraph 3 of the motion expresses the agreement of the Committee on Energy and Research to the implementation of the programme by indirect action. In his conclusion, Professor Veronesi advocates preference in contracting the programme to public research institutes, and to national public industrial cooperations formed by them. Here again, I agree with Mr Fuchs. That the Community's research and development should be preferentially pursued by indirect action, I have no doubt.

But the corpus of successful exploration experience, of successful risk-taking and of successful production, rests with established firms. I would ask Professor Veronesi to demonstrate to this House — since he is to speak later — the existence of public industrial cooperations in the Community with the track record of, say, Union Minière Belge, or Rio Tinto Zinc or

Metallgesellschaft AG, or Società mineraria e Metallurgica di Pertusola. It would be a misuse of Community funds if they were to be committed to an organization, private or public, out of political prejudice. Better that the project and the contractor should be judged on their particular technical and commercial qualities.

The Community will, I hope, treat this particular conclusion with its usual wisdom. However, my group welcomes the Commission's programme and, broadly, Mr Veronesi's resolution. I trust that the proposed programme will be prosecuted with speed. I hope the Commissioner will assure us of this and that the Council, too, will take full note of it.

### 6. Verification of credentials

**President.** — At its meeting today, the Bureau verified the credentials of Mr Spénale and Mr Joxe whose appointment has already been announced.

Pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau has made sure that these appointments comply with the provisions of the Treaties. It therefore asks the House to ratify these appointments.

Are there any objections?

These appointments are ratified.

The Socialist Group has proposed that Mr Spénale continue in office as first Vice-President of the European Parliament.

Are there any objections?

That is agreed.

### 7. Agenda

**President.** — The enlarged Bureau has proposed the following changes to the agenda for the last two sittings of this part-session:

the following should be added to today's agenda:

- the Brown report on energy savings;
- the Bruce report on the unfreezing of appropriations; and
- the Bersani report on an additional protocol to the EEC-Malta agreement;
- the oral question, with debate, by Mr Fellermaier and others to the Commission on safety at sea should be postponed until the December part-session.

Are there any objections?

That is decided.

I call Mr Willi Müller.

**Mr Willi Müller.** — (D) Mr President, I would like to make a request regarding tomorrow's agenda.

Tomorrow, a discussion is scheduled on the report by Mr Hamilton on enquiries into the political affiliations of Commission officials. Because of commitments in the House of Commons, Mr Hamilton

Müller

cannot be present and has asked me to request that this item be postponed to the December part-session.

**President.** — Are there any objections?

The postponement of this report is agreed.

The agenda for today's and tomorrow's sittings would therefore be as follows:

*Today's sitting:*

After the joint debate already begun:

- Brown report on energy savings;
- Evans report on large urban concentrations;
- Aigner report on the financing of food aid;
- Giraud report on the carriage of goods by road;
- Bruce report on the unfreezing of appropriations;
- Bersani report on an additional protocol to the EEC-Malta agreement;

3 p.m.:

— Question Time

3.45 p.m.:

- Vote on draft Amending Budget No 2 for 1977 and on the motion for a resolution contained in the Bruce report;
- Vote on motions for resolutions on which the debate has closed.

*Sitting of Friday, 18 November:*

As adopted on Monday, less the Bruce, Bersani and Hamilton reports and the oral question on safety at sea.

Are there any objections?

That is agreed.

### 8. Research policy (contd)

**President.** — We resume the joint debate on research policy.

I call Mr Veronesi to speak on behalf of the Communist and Allies Group.

**Mr Veronesi.** — (I) Mr President, ladies and gentlemen it is a real pity that the lack of time does not allow us to hold a sufficiently thorough discussion of the report by Mr Holst and the Commission's communication. The two documents relate to general planning, orientation and policy decisions that are destined to form the fixed terms of reference for Community action over the next few years.

Discussion in this House of (Doc. 348/77), of which I myself am the rapporteur, (Doc. 349/77) by Mr Edwards, (Doc. 362/77) by Mr Brown, which we asked to be added to the agenda, and (Doc. 351/77) by Mr Evans I consider to be less significant, not because they refer to unimportant or secondary questions — on the contrary — but just because they relate to obvious corollaries to a vaster plan submitted for our consideration in the general documents I referred to at the start, which constitute the 'philosophy' of the specific measures, the frame in which to set them and the right angle from which to view them. It is on them that our discussion will be centred and against

them that our opinions and the policy lines of the groups must be measured.

Of course, we must avoid the two dangers that always arise in such cases. Firstly, we must now be drawn into the area of abstraction and metaphysical generalization, which is better suited to academic than political assemblies, but secondly it is essential not to confine ourselves to specific questions, considered in isolation, in the name of an ill-conceived and misleading pragmatism.

This is a political body and discussion in it should be political discussion, with its terms of reference defined by the economic and social future that we wish to build for the Community of our countries rather than the technical formulation of options. For these reasons and on these assumptions I feel that priority should be given to the general discussion of the policy basis for the options in the spirit of a responsible and clear-minded practicality. The search for this equilibrium, which should then lead to operational guidelines, involves the Commission, Parliament and the Council.

I do not think that this approach will have any adverse effect on the contribution of the technical formulation of research and development projects in the specific sectors. On the contrary, it will help to place them in their more genuine rôle. It will mean checking, as necessary, the coherence of the individual projects, fitted into the general programme framework, and ensuring that the specific proposals coincide with the aims and objects defined by the Community's political options. We find this coherence and coincidence in the sectoral documents that are before us.

Personally, I am also tempted to make a proposal which, although it cannot — as far as I can see — be squared with the rules of procedure, seems reasonable and acceptable to me in the light of common sense and the better organization of our work. In substance, I feel that we could immediately take a vote on the motions for resolutions contained in documents 348/77, 349/77, 362/77 and 351/77 without any explanatory statements by the rapporteurs or speeches by group spokesmen where the resolutions themselves are supported by the groups and by Members of Parliament. Only those who have basic objections or amendments to table should be allowed to speak. I realize, Mr President, that, without further explanation and justification, this proposal may seem dangerous, but I would only say that I have taken my cue from a precedent already established in this House with the consent of all the political groups.

To come to the heart of the question, I would say right away that we agree with the resolution proposed by Mr Holst and the explanatory statement in its support. Mr Holst has our grateful recognition for shouldering the burden of reporting of the Commis-

## Veronesi

sion's proposal on the common policy in the field of science and technology and for having performed his task in a way that could not have been bettered.

We share his positive judgment on the communication from the Commission and his constructive criticisms of it, although we do not intend to dwell on them. We agree with what the rapporteur has written and therefore we do not intend to repeat the arguments he has so excellently put forward. Moreover, the comments made on the Commission document do not seem to us to reduce its validity or scope. Some gaps and certain shortcomings could certainly be pointed out, but these are not such as to weaken or reduce the value of a report which has a sturdy structure and an overall plan of admirable breadth.

Here we would like to put forward a few policy thoughts that go beyond the specific content of the communication from the Commission and extend into the broader horizons of Community policy.

I propose to proceed, ladies and gentlemen, on a point-by-point basis to save time and, I hope achieve greater clarity.

In this House and in the relevant committees, we have often paid recognition to the Commission's work and the stimulus it provides. Whilst we have never given up our right of criticism, we nevertheless do not want to disregard what the Commission has done. In our opinion, both quantitatively and qualitatively we feel ourselves to be positively committed within the Community and every position we have taken has always been the result of a thoroughly thought-out assessment of the problems we have to deal with. Without falling into manicheism or over-simplification, therefore, we say that we greatly value the document produced by the Commission.

In addition, the Commission's proposals show that some attempt has been made to take stock of past experience. There is the awareness of the difficulties encountered in the past, and an attempt is made to foresee those that might arise in the future. Alongside the restatement of the wisdom of a vigorous policy of scientific research, there are also signs of the concern about its full implementation.

Two new features mark today's proposals by the Commission as compared with those of the past. The first is a more explicit and open readiness for a periodical, critical study, in Parliament, of the state of progress in implementing these programmes. The second is the research commitments as regards forecasts and assessments in the field of science and technology. What we ask for, in this debate, is strict compliance with these guidelines.

On one important aspect we have a basic criticism to make of the Commission, in the first place, and to a

greater extent of Mr Holst for not having drawn attention to it sufficiently, and of ourselves as well for not having insisted on this point in the past as we should have done. I refer to the indispensable and urgent need for a critical, sincere, impartial and pitiless scrutiny of past experiments that have failed. What has become of the plans and good proposals put forward in so many debates in past years? What results have the sums committed, however modest — although in some cases not modest at all — produced? What incentives or stimuli, as regards their competitive policy and the strengthening of their capacity to compete at the international level, have our industries received from these technological research projects? I do not believe that anyone is capable, at this moment, of answering these questions. The few indications given by the Commission or by the rapporteur are not sufficient and if they are given it is because it is impossible to do without them, because it would be inconceivable not to record them. But, too bashful and too reticent, they veil the truth.

Mr President, Mr Commissioner, ladies and gentlemen, how can we launch a multi-annual programme of research and development without saying what happened to similar initiatives in past years? Can we, with a clear conscience, claim that all the conditions for the full implementation of even one of them have been observed? Why should we not try to give a clear answer to this question? If the answer is positive, on what is it based? But if, on the contrary, it is negative, what are the obstacles that have impeded our work?

These questions are more than justified if one thinks of the pathetic, not to say dramatic, fate of Euratom, which is one of the pillars of the Community, or rather is itself one of the Communities, and of the more recent, incredible and absurd affair of the JET (and the super-JET).

Do we want to hide our heads in the sand like the ostrich? Why do we not face up to this problem once for all? Perhaps because these are uncomfortable topics, perhaps because it makes the path of the Community more difficult? But it is not because we ignore these problems that the questions facing us will solve themselves. We must step in where necessary and take the necessary curative action, going to the root of the disease and tackling problems at their origin.

In conclusion, Mr President, optimism about the fate of these initiatives will serve no useful purpose. Nor do we want to exhibit deliberate pessimism. Instead — as I have explained on other occasions — we recommend and feel the pessimism of the mind but we practise the optimism of the will.

## Veronesi

This is why we feel that the Commission and Parliament together should bear on the Council to change its way of considering the problems of the construction of Europe so that the interests of the Community as a whole are made to prevail over sectoral and national interests. Otherwise, if we do not follow this direction or if we aim at any other goal, we shall be beating the air or building a house of cards; we shall make good proposals and professions of the best intentions, but we shall not move one step forward.

In this approach, this conception of Europe — whose weakness was dramatically demonstrated in yesterday's economic debate, when dire statements and dire forecasts were heard from all the groups in this House — in this Europe, suffering from this grave illness, this weakness, but whose potential is enormous, we are ready to play our part.

Mr President, kindly allow me to reply briefly to the objections to my report made by Mr Fuchs and Lord Bessborough.

I would invite Mr Fuchs to read carefully the passage where I give preference — so to speak — to the public corporations. I said that this should be done only if other things were equal — in other words, given equal technical capability and equal research capacity in relation to the problems set.

I would like to say to Mr Fuchs and also to Lord Bessborough that the way of raising these questions is pretty antiquated: it seems to me to belong to a kind of stone-age economics which time has left behind and which still believes in a free and competitive market not undermined by external factors that, today, are the decisive ones. Today no one believes in a market economy. Yesterday Mr Cousté's report gave the facts about the multinationals, but there is someone with greater authority than me or Mr Cousté and that is President Carter, who, speaking about the multinational oil companies, used harsh, aggressive and almost insulting terms.

Let me say that when we speak of research activities to be conducted by private-enterprise firms we always have to think of the big organizations, not the little companies — the multinationals, the monopolistic complexes, who have anything but the interests of the Community in mind. This is why I feel our conclusion is right.

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

**Mr Krieg.** — (F) Mr President, ladies and gentlemen, the need to introduce and promote a common scientific and technological policy has been patently obvious for a number of years. We know the difficulties that are encountered whenever a new common policy has to be instituted, and we also know how little, except in the case of agricultural policy. Europe

has progressed in this field. Nevertheless, a first significant result was achieved in August 1975, when a programme of research and development in the field of energy was adopted. The Group of European Progressive Democrats warmly welcomes the proposals submitted by the Commission for our consideration today and congratulates the rapporteur for his constructive contribution in the study he has made of them.

Each of us must be aware of the enormous supply problems and the economic, structural and even human problems with which the Community is faced. We therefore attach the greatest importance to the definition of guidelines for a common policy in the field of science and technology, and we agree with the Commission's priorities as regards the long-term supply of resources (energy, agriculture, raw materials and water), the promotion of internationally competitive economic development in the Community, the improvement of the living and working conditions of the population and, lastly, the protection of the environment and nature.

As regards the two motions for resolutions, we appreciate their value and their scope.

As regards the promotion of research projects of industrial interest, the financial support that needs to be given to transnational projects commissioned from small and medium-sized firms with innovative capacity is fully justified by the considerable pressure brought to bear on advanced and high-technology industries in international competition. As we know, this pressure is particularly severe in periods of stagnation or recession, and no one would deny that the Community is currently going through such a period.

Nevertheless, the absence of a real common industrial policy is a handicap and, as noted by our rapporteur, his situation will compel the Commission to take a pragmatic approach and to propose projects concerning the technology-intensive industries affected by the pressures of competition and with a high innovation potential. Cases in point are the aerospace, data-processing and telecommunications industries and research in the fields of energy and transport.

Now we all know that the dynamism of a society can be gauged by its innovative capability, and in this House we have, unfortunately, noted Europe's weakness in this field only too clearly. The balance of trade for patents of invention between Europe, the United States and Switzerland is enlightening in this respect. It is not the skill of our scientists and research workers that is in question but the absence of a coherent and effective research policy and the low level of the financial resources applied. We should not be under any illusions; this motion for a resolution will not be a panacea. We can only hope that it will be the turning-point in a trend that has lasted all too long.

**Krieg**

As regards the programme of research on forecasting and assessment, this is an essential corollary to short and medium-term research, because it is vital to take stock of the research already done and to analyse it in order to define new directions for research and development policy, and its problems and potential, and thus to decide on long-term objectives and priorities. Such studies are the necessary preliminary for establishing a Community forecasting system — the ultimate objective.

Mr President, I would not like to bring my remarks to a close without drawing Members' attention to the inadequate resources allocated to research and development policy, a lack that I have already had occasion to stress on behalf of the Committee for Energy and Research. The sad truth is that aggregate R & D appropriations at both national and Community level make a very meagre total. It has often been said that the best investment is to promote a policy of research and development in the field of science and technology, but we are still at the stage of good intentions. The necessary public appropriations have not been forthcoming in adequate amounts. It will therefore be necessary to see that the appropriations earmarked are used in the best possible way. The Commission and the Member States will therefore, in future, have to apply a policy of co-operation and co-ordination that really works.

It is therefore with its wishes for the success of this policy that the Group of European Progressive Democrats will be voting in favour of Mr Holst's report.

Next, as regards Mr Edward's report on the first programme of minimum medical research, we can but register our satisfaction at its interest. It must be said that the subject is important, and we welcome the Commission's proposal which we have long been hoping for. The field of medical research has always been inadequately studied by the Commission and it is therefore desirable that the Community institutions should now take up this issue in the framework of a programme with the two dimensions of space and time.

No one would deny the advances achieved by medical research, whether at world, European or national level, but, as we know, this kind of research is extremely costly. It is important therefore not to disperse our efforts, and it is here that the research done at European level comes into the picture. The three research actions proposed, regarding congenital abnormalities, cellular ageing and extracorporeal oxygenation, have the advantage of being suitable for investigation far more effectively as a Community activity than through isolated national projects.

We therefore support the proposal and at the same time encourage the Commission to extend its field of action to cover projects which should certainly be specific but whose impact on the European population should be decisive.

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

**Mr Ripamonti, draftsman of an opinion.** — (I) Mr President, ladies and gentlemen, the need to develop scientific research and to apply new technologies was underlined again yesterday in the debate on the prospects and directions for economic policy for 1978, and is today given an immediate and operational expression in the motion for a resolution presented by Mr Holst, whom I thank and congratulate most sincerely for his report, prepared on behalf of the Committee on Energy and Research, approving the Communication from the Commission to the Council on the common policy in the field of science and technology. This communication will be a basic document for the future of Community policy in this field.

Parliament and the Council, therefore, are asked to take a political decision of great significance in the difficult situation through which the European economy is now passing: firstly, to express the political will to define a precise framework of reference for establishing and carrying out research programmes of common interest aimed at the objectives of Europe's programme of economic, social and civil development, and, secondly, to co-ordinate the research policies of the Member States.

In delivering its unanimously favourable opinion, the Committee on Budgets stresses that approval of the guidelines which the Commission has drawn up for the development of Community policy in this area for the period 1977/80 would mean that these guidelines formed the legal background for all proposals for actions to be drawn up by the Commission in accordance with the terms of reference defined in Article 1 of the resolution of the Council.

The document presented by the Commission is certainly of crucial importance from the budgetary standpoint, because it enables an assessment to be made of the medium-term financial prospects of common policy in the field of science and technology. The information given by the Commission enables the budgetary authority to make an overall political assessment of budgetary trends in this sector of Community activity. The total financial cost of Community policy on the basis of the appropriations budgeted or foreseen for research and development policy for the period 1977/80 for direct, indirect and concerted actions amounts to 962.4m u.a. If to this are added the actions with special funding or extrabudgetary funding, amounting to 252.2m u.a., this gives a total forecast of 1 269.7m u.a.

The objectives of the policy, which will provide the budgetary authority with the criteria for entering the appropriations in the budget itself, are to develop research in order to improve the security of the long-

## Ripamonti

term supply of resources (energy, agriculture, raw materials and water), to promote the internationally competitive economic development of the Community (as stressed by Mr Veronesi), to improve living and working conditions and to provide greater protection of the environment and nature.

The Commission communication includes two decisions laying down the rules to be applied to actions concerning the promotion of industrial research projects and those applying to the promotion of research on forecasting and assessment in the field of science and technology.

As regards the budgetary impact of the decision concerning industrial research projects, the Commission had forecast an expenditure of 2m EUA for 1978, but the appropriation has been deleted from the draft budget by the Council. On the proposal of the Committee for budgets, Parliament has approved an amendment involving the entry of a frozen appropriation of 5m EUA for this action. I am afraid, however, that there is only one delegation in the Council in favour of re-establishing this appropriation and that is the Italian one.

As regards the decision concerning a programme of research on forecasting and assessment in the field of science and technology, the Commission had foreseen an expenditure of 532 600 EUA for 1978, and this appropriation has also been deleted by the Council. Parliament has approved an amendment aimed at re-establishing this appropriation, but the Council may well throw the amendment out again for the reason that the decision has not yet been approved. I feel that Parliament could reconfirm its decisions on this question at the December part-session.

As regards, finally, the proposed change to the wording of Article 2 of the decision regarding a programme of research on forecasting and assessment in the field of science and technology (suggested by the Committee on Energy and Research), the purpose of this is to bring the decision into line with the Financial Regulation which is currently being discussed between the Council and Parliament. The final wording will have to match the final decision that is adopted; the proposed change, of course, is intended to make it clear that the figure in the decision is given simply as a guide.

The Committee on Budgets has delivered a favourable opinion on the implementation of a common policy in the field of science and technology, and that is tantamount to specifically requesting Parliament to agree to the financial cost involved in 1978 and the following years. I feel that further proof of the productivity of the proposal is supplied — as Mr Cifarelli has stressed — by the need to foresee the relevant appropriations in the 1978 budget.

The point is that, for 1978, Parliament has voiced that intention, making wide use of its margin of manoeuvre

in favour of this policy. The rapporteur for the 1978 budget, however, has tackled the problem of building up a suitable structure for the budget so that appropriations are not dispersed among the various chapters but are conveniently grouped and so, that the extra-budgetary appropriations are joined to them. I feel that, next year, the rapporteur for the 1979 budget will also have to take this requirement into account.

In conclusion, Mr President, I would like to repeat that the Committee on Budgets is not only in favour of the Commission's proposals but is also agreed on the need to make a greater budgetary effort in future years so that the proposals made, which Parliament is about to approve, may be effectively, promptly and fully implemented, for this will be a determining factor for economic recovery and civil and social growth in the European Community.

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

**Lord St Oswald.** — Mr President, had President Colombo been in the Chair this morning I could have reminded the House that his was the nation which gave the world Leonardo da Vinci and Enrico Fermi and Levi-Civita, three of the many original contributors to human knowledge and the application of that knowledge. Ours is the continent of Niels Bohr, famed for his work on quantum theory, of Einstein, for his work relating matter to energy, of Planck and of Hertz, Joliot-Curie and of Poisson, of Dirac, each adding to the corpus of knowledge which ultimately led Shockley and Hall in the United States to the development of the semi-conductor device, that device which is at the kernel of today's and tomorrow's technology-based industries which are the scene of competition between Europe, the United States and Japan, a competition which so often preoccupies Members of this House.

Progress in pushing back the frontiers of human knowledge is random and often unpredictable. The process of synthesizing new observations is also random. The work of Pekelharing and Eijkman on tropical diseases, two benefactors of mankind from your country, Mr Acting President, their work and the work of Banting on insulin and Fleming on penicillin is further proof of the happy chance element in medical research. It is present in the natural sciences and their applications. Human progress is best achieved where minds are given free rein. As parliamentarians, it is essential for us to provide the means and framework in which the human spirit and intellect can flourish and enjoy this free rein.

Those who esteem the role of scientists and engineers look to the European Community to set the pace for a new renaissance in European intellectual life. Europe has learnt to thrive on the great scientific discoveries of the past five centuries and more. Are we sure that the Commission's proposal for a science and technology policy is the foundation of a new renaissance?

### Lord St Oswald

Using the Nobel Foundation as a criterion for achievement between 1901 and 1975, the following number of prizes were awarded: in physics, to the United States 33, the countries of European Community 53, the Soviet Union 6; in chemistry, the United States 20, the European Community 51, the Soviet Union 1; and in physiology and medicine the United States 44, the European Community 42 and the Soviet Union 2. Given comparable population size, and presumably a similar spread of intelligence, these statistics reveal something of the constraint of a Soviet Socialist society on human thought and progress.

But now let us compare the number of Nobel Prizes awarded for physics, chemistry, physiology and medicine between 1965 and 1975. They are: the United States 34, the European Community 22, and the Soviet Union none. The originality of scientific activity in the Community is falling relative to that of the United States of America. The great discoveries of Europe's gifted sons and daughters, which enriched the world during the earlier decades of the century, are increasingly being transferred — bequeathed to an acquisitive and innovative America. The financial effects as expressed in the statistics for licence income reveal that payments of more than 3 600 million EUA made to United States firms are principally accounted for by European and Japanese licensees. The burden of these payments is a cost borne by everyone engaged in creating wealth in the Community's industries. Europe, it seems to us, must be reborn in such a manner that she becomes the New World of the twenty-first century. Europe must set the standards for human, intellectual, moral and material advance. The European Community should learn, with the required humility, the techniques of the United States in dispensing — as she does — the dollar equivalent of some 15 000 million EUA annually in public research and development. Member States can only manage 7 200 million EUA annually.

The Commission's proposal for a science and technology policy considered in this report, is a small and not inspiringly ambitious start. As a start, it concerns itself with the applied sciences, of which the JET project is the most notable and the most challenging. To all those engaged in this and other energy projects, let this House send through Commissioner Brunner our best wishes for the success of their work. The work of Europe's scientists and engineers is a practical sign of the aspirations of the Community's citizens, and of the citizens of those countries which crave for a better life.

There is one aspect of the Commission's proposal which seems to some of us unsatisfactory. It is described under the chapter heading 'Life in society'. It would be wrong, and it would frustrate the development of human knowledge if the imagined social consequences of this or that technological development dictated the content of scientific and other technological research and development programmes. I

say this because the social consequences of a projected scientific or technological development are political. Attempts to subordinate scientific judgment to political ends are misguided from the point of view of freedom and of practicability and effectiveness. Policies which are based on untrue assumptions are liable, even likely, to lead sooner or later to disaster. It would be a betrayal of the achievements of past generations of scientists and engineers if politicians attempted to deflect scientific conclusions for political or social motives, however well-meaning the objective. We can exemplify, from the past, Galileo in Italy and Darwin in Britain, and there is a more modern example and a contrast: Lysenko in the present-day Soviet Union. Here the world has witnessed attempts to contradict scientific evidence in order to favour some irrelevant doctrinaire concern or creed. Indeed, the politically-motivated acceptance of Lysenko's theories resulted in the worst disaster that Soviet agriculture has ever experienced. My friend, Lord Bessborough, made a passing reference to this kind of massive and damaging error.

Neither scientist nor layman can foresee with any certainty the long-term outcome of any particular course of action. The results of scientific and engineering developments are only some of the ingredients of the social and political conditions in which we find ourselves. The advantage of these developments is that they are usually more reliable than the other evidence on which parliamentarians and citizens can form opinions. The European Community should therefore separate the problems arising from social ills, which lend themselves to moral and spiritual authority, from the pursuit itself of a science and technology policy.

The European Parliament, in giving its approval to this policy, less the proposed action relating to life in society, proclaims the call to scientists and engineers to harness their skills in establishing facts and applying them in the service of their fellow-men. Europe has much to do in raising living standards in the Community, in bringing those standards to Europe's friends in the Lomé Convention and other recovered friends in China, and indeed across the world. Europe is impatient, its young are ambitious and morally concerned. Without scientific ideas and innovation, we are all in a poverty trap. We cannot afford not to advance.

The extent to which the Council enables the Commission to manage an ever-increasing proportion of the Community research and development is a measure of the Council's statesmanship. This Parliament must determine to will the means. In doing so, we must take into account the end possibility that the Commission may become the sole dispenser of the Community's total public research-and-development expenditure. This would put us on an organizational par with the United States and, once on that par, it is foreseeable that our achievements would outstrip theirs for the benefit of all.



**President.** — I call Mr Noè.

**Mr Noè.** — (I) After the speeches by the Members who have spoken on behalf of my group, I shall confine myself to a comment on methodology with reference to Mr Holst's report.

Research, at first mainly spontaneous, is increasingly in demand to the extent that scientists have increasingly to answer the questions that society puts to them, a society in which the factors are increasingly interconnected and in which the solution of problems is becoming increasingly difficult. Mr Holst has expressed this aspect very well in his observation that the Commission, though operating in difficult conditions and though a Community policy is lacking in certain sectors, is not, for all that, giving up its support for research, especially in the industrial sector, as set out in paragraph 14 of the motion for a resolution.

This new situation affecting research means that the Commission, apart from its research staff, has to have a staff for the preparation of decisions. In my view, the arguments I put forward in this House on the need for inter-disciplinary groups to do the preparatory work for decisions on regional policy also applies in the sector of research.

Kindly allow me to refer to a case (taken from a report I am preparing on fast-breeder reactors) which will help this need to be seen in more concrete terms. The example I would like to quote is that of irradiated fuel. Various studies are currently in progress on solutions to this problem, all with different completion dates, I would just mention the storage of the fuel itself, or what is left of it when it is withdrawn, in safe — that is, geologically stable — locations, and the burning of wastes in order to reduce the duration of radioactivity.

There are thus research projects which are aimed at the same goal but have to progress in accordance with different time-scales, so that the results of one may be made pointless by the results of another. We therefore need to avoid irreversible solutions so that, for example, radioactive wastes may always be recovered in the event that other research discovers better disposal or storage conditions. It is therefore necessary for appropriate staff to keep a constant watch on the situation and to give the right guidance for encouraging and orienting research.

A little while ago, a British Member paid tribute on behalf of Parliament — and I am very pleased he did so — to all research scientists, to whom public opinion should really be more grateful. I feel that, to this tribute, should be added an invitation to Commissioner Brunner to continue the battle he is waging to find the ways and means of solving these difficult problems.

I just wanted to quote one example — certainly the most worrying — among all those with which we are faced.

In conclusion, I would like to say that the vital task of control, keeping watch on the situation and incessantly updating information — for information is often not known by the research scientists themselves — is one for the public authorities. As regards the performance of the individual projects, I share Mr Fuchs's opinion: they should be given first and foremost to those best able to carry them out.

I shall end with my wishes for the success of those initiatives that Commissioner Brunner will soon be taking in this connection to ensure that the problem is better explained to public opinion.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, at the end of these guidelines there are words to the effect that the European dimension in science and research is beginning to take real shape. I believe that we shall be able to translate this conclusion into policy actions only if we have your support and if we have the support of public opinion. I would be grateful if you could pass this on to those Members who were unable to be here today because they had other duties, whether in the British Parliament, at the Conference of the Federation of Liberal Parties or at that of the German Social Democrats.

We must not invite the false impression that this Parliament has not played a leading, supporting and dynamic rôle in the implementation of European research projects. Without Parliament we should not have been able to consolidate the Joint Research Centre. It was here that you decided on the Statute that made social reform possible there. Through you it has now become possible to ensure the mobility of research scientists in the Community for the next few years. Through your unswerving support you have made it possible finally to get the JET plasma-fusion project under way. I feel that we would lose the fruit of our own work if, by minimal participation in the discussion of subjects as important as this, we gave the impression to the world outside that this Parliament, with its suggestions, its technical insight and its political will had not, continuously over the years, made possible such European research as we now have.

The guidelines are on the table. In future no one will be able to say that there is no plan for European research. Here are set out the priorities on which we intend to concentrate. Those priorities are the environment, life in the Community, resources and services. The purpose of all this is clear. Through research on resources — and this also refers to the other subject we are debating here today — we mean to ensure that this Community has in the future a lasting basis for the continued development of its economy. For this long-term research, efforts are needed.

**Brunner**

The reason why we are concerned about the environment in this Community is also clear. In the next years, with continuing industrial development, we shall find ourselves increasingly faced with the need to conserve what we have in the way of biosphere for the future. Our populations in the Community have a right to demand this.

We also know why we are concentrating on the social environment, on life in society. This Community would be worth nothing if the people in it did not have the feeling that it belonged to them and that it was concerned about what was important for their daily life. The Community must be tangible to them. That is the reason why we are concentrating on this research and why we are now treading the new path of medical research.

Lastly, this Community must build up closer ties and so ensure that we develop common standards and that differences do not arise from country to country which begin by distorting competition and then create barriers which separate men in one country from those in another. Hence the concentration on this field of services.

The priorities are clear and the basic criteria we have outlined are also clear. Here we have been specific and worked out several sets of criteria. We have not been content with verbal wisdom. I think that, from now on, we have a better basis for knowing what the Community should do and what it should not do. You see, in the discussions in this House and in the questions that are put to us, we are often asked: why don't you do this, why don't you do that? I think that many of these suggestions are good and others could be added, but we have to have a fixed point of reference for them. We have to know what front we are fighting on. The guidelines are now here before us; they tell us where that front is.

I think that we have also developed new and better methods for evaluation. We have said that we wanted to review the programme periodically and to keep a check on results. This is another thing that calls for your continuous attention. As the years go by, we shall be continually having to determine what is working properly in the way of research in the Community and where there are gaps.

Many things have improved. In the past year, the number of patents originating in the Community's Joint Research Centre that were filed was double that for the previous year. We have achieved a substantial improvement in our co-operation with the Member States on institutions like CREST. We are presently planning to develop this co-operation still further and to explore new avenues.

We now have more funds available. True enough, the amount is still small when compared with what the national governments allocate. Still, we now have a research programme that, all in all, comes to some

750 m u.a. That is quite a lot of money and we are responsible for it. We must show that we are furthering European union with it and that we are doing something with it which will bring lasting benefit to European science. In this you have to help us. You have done so up to now, please continue to let us have your support.

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

### 9. Regulations on energy-saving (debate)

**President.** — The next item is the report (Doc. 362/77) by Mr Brown, on behalf of the Committee on Energy and Research, on the proposals from the Commission to the Council for

- I. a regulation on the granting of financial aid to demonstration projects in the field of energy-saving; and
- II. a regulation on the granting of financial support for projects to exploit alternative energy sources.

I call Mr Holst.

**Mr Holst, deputy rapporteur.** — (DK) Mr President, ladies and gentlemen, I am presenting the report by Mr Brown on behalf of the Committee on Energy and Research because I am deputizing for the rapporteur, who is unfortunately unable to be present. I hope I shall be able to do justice to my colleague and the views expressed in the report, which has been discussed in detail and unanimously adopted by the committee.

The reason for these two proposals for regulations on the granting of financial aid to demonstration projects in the field of energy-saving and projects to exploit alternative energy sources is that the Community is in an extremely vulnerable position as regards energy. Some Member States — my own country, Denmark, for instance — are almost completely dependent on imported energy for some products. Every effort to attain one of the main energy-policy objectives, i.e., to promote the exploitation of the Community's own energy sources, mainly coal, and to encourage energy savings, must therefore be supported.

One of the proposals deals with energy supplies and the other with the demand for energy sources. In other words, the proposals supplement each other because they are trying to reduce the gap between supply and demand, which will almost certainly widen unless a conscious effort is made. The two proposals deal first and foremost with demonstration projects in the field of energy savings, and the Commission proposes that financial aid be given to demonstration projects in the field of energy-saving techniques, or more specifically in the marketing of such techniques. Although the technique of energy-saving is known, most producers feel that such savings must be industrially useful and economically feasible.

**Holst**

The Commission proposes the combined production of power and heat from heat-pumps, heat recovery and, one of the largest projects, heat storage. Each project, which must be commercially viable, suitable for general application and of benefit in terms of energy savings, can thus serve as a reference project and so support and encourage national projects. In my view these projects are also of international interest.

An Advisory Committee on the Management of Demonstration Projects will collaborate with the Commission in selecting projects to receive financial aid from the Community. Projects will be selected on the basis of an objective assessment by the committee and the Commission; but there must obviously also be cooperation with the Member States, since they can propose projects. The Commission's representative has assured our committee that cooperation is already very positive, but the committee still wants to stress that such cooperation is not only desirable but essential for the successful implementation of the proposal and the most effective dissemination of the information derived from the results.

As I said, the second proposal deals with projects for the exploitation of alternative energy sources. Again, the purpose is to demonstrate the technical and economic feasibility of techniques for exploiting alternative energy sources. These may well, indeed, be known, but there are large areas where there is no purely technological knowledge of their exploitation; and since the Commission feels strongly that a long time is needed, it proposes that over a 10 to 15 year period aid should be given to projects concerning geothermal research and the gasification and liquefaction of coal. There is in principle nothing new about exploiting geothermal energy sources, but any possibilities that exist must be investigated where there is no natural connection between the heat sources and the surface and where these types of energy can be used. Whilst the former is dealt with in the Community's research and development programmes, the Commission now proposes that this phase be followed up by financial aid to what could well be called the subsequent stage of exploitation of geothermal energy. As I understand it, these projects will also serve as a reference for other projects; there would thus be a catalyst effect which depended only on whether the Member States considered these reference projects to be economically viable in their own areas.

I shall leave aside technical matters and concentrate on some of the more economic aspects. It must be admitted that there are so many factors of uncertainty connected with the profitability of the projects that it is difficult to say today whether anything can be achieved at all. The price of 'conventional' types of energy will presumably continue to rise and thereby help to make the projects profitable. We can thus say that our optimism about the profitability of the project is unfortunately based on a pessimistic view of the price of conventional fuels.

The coal gasification and liquefaction projects are of immediate interest, since the Community's coal reserves are enormous and we are here giving consideration to the principle of exploiting our own resources. Substantial funds are earmarked for this project, and if it proves to be feasible, its technical implementation will obviously take a long time. But as a direct source of energy its importance will be scarcely more than marginal in the short term, i.e., up to 1990, when we consider the Community's energy resources. This programme, which I would not call technically controversial but which nevertheless involves so many technical problems, should be revised after 7 years, as proposed by the Commission. It would then be possible to revise the plan and aim for the desired object with greater certainty than is possible today. An addendum has therefore been made to Article 8 which, on behalf of Mr Brown, I recommend that Parliament adopt; it is on page 8 of the report.

In conclusion, I would add a couple of remarks about the financial aspects of the proposals and refer you to the opinion of the Committee on Budgets, which is annexed to the report. Substantial funds are involved but if the desired goals can be achieved, I have no doubt that it is a financially sound investment. Even if it were not, I feel that from the point of view of energy policy it would be right to use so much money on alternative energy sources. In this connection, Mr Brown has a rather tart comment to make to the Council, which seems to have some difficulty in understanding why projects of this type have to cost so much or why they do not show a profit within the first few years; Mr Brown therefore hopes for a little more budgetary understanding from the Council than previously.

I should like to point out that this report has been discussed by the Socialist Group, and on behalf of that group I, like the rapporteur, recommend that Parliament vote in favour of the motion for a resolution. I also wish to thank Mr Brown for the capable way in which he has presented the principles and problems connected with these two projects.

**President.** — I call Lord St Oswald, deputizing for Mr Osborn, who tabled a question on the same subject for Question Time.

**Lord St Oswald.** — Mr President, my friend Mr Osborn, was to have made the speech on behalf of our group on this matter in this debate. He was also intending yesterday to ask a question which he has handed over to me, on the central matter of this topic.

Rather to my surprise, the question was not reached. I was poised to ask it, but Question Time appeared to end at 3.56 p.m. by the clock above the President's head, which the President clearly could not see. What

### Lord St Oswald

I will therefore do now, as it is very pertinent to the debate in hand, is simply to take this opportunity, without pretending that this is a speech, to present the question that he would have asked yesterday :

The Federal Republic of Germany and the United States of America recently signed an agreement on the exchange of information about the current research of each nation into coal liquefaction and gasification. In view of the Commission's proposal for Community support for demonstration projects in this area, contained in COM/77/187/fin., what steps are the Commission taking, in conjunction with the United States of America, Japan, Israel and other non-Community states, to achieve coordinated research and development and the avoidance of unnecessary duplication in all areas of energy activity — either within the framework of the International Atomic Energy Agency or outside it?

Mr Osborn was hoping to obtain a full answer to that, but he was prepared to ask a supplementary question, which I will also put as if it were part of the speech.

What investigation has the Commission undertaken to define possibilities in that form of action known as the cost-type action with the United States of America? What consultations have taken place between the Community's delegation in Washington and ERDA — the Energy Research and Development Agency of the United States Administration — and will the Commission include, in future association agreements and framework agreements for trade and cooperation, provision for scientific, technical and industrial collaboration as a rule?

The purpose of this — and what my honourable friend would have followed up — is, as he would have mentioned in his initial question, the avoidance of unnecessary duplication in all areas of energy activity. This is what he would have pursued in his speech. The specific matter he mentions is of some importance to me personally, as I live in a coal-mining area and the gasification of coal is one of the uses of coal which could keep coal-mines working, and provide a useful product of this natural resource.

The question has been put rather clumsily, I concede, but at least it is now on the record, and the Commissioner is asked to answer it when he winds up the debate.

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

**Mr Fuchs.** — (D) Mr President, ladies and gentlemen, I would just like to express the full agreement of the Christian-Democratic Group to this proposal by the Commission, because it seems to us to have a special political significance. We are continually asked: what's happening about energy? Hopes are raised about energy savings and alternative energy sources, but then we have to stand up in front of the public in our Community and show proof that everything is really being done by our Community to

exploit every possibility that is left to produce energy. This is why we consider that this proposal has great political significance, particularly when it is a question of appearing before our electors and the public. It is only if these possibilities are exploited that we shall be able to talk to electors with a clear conscience on the question of nuclear energy and energy from coal — which, after all, does involve some pollution — and this, I feel, is precisely what the adoption of this document is all about.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, thank you for your proposals. We can accept them. The Community has set itself the target of a 15 % energy saving by 1985. That is a major effort. It can succeed only if we develop the necessary energy conservation techniques, if we inform the public about new methods and if we open the market. These efforts are aimed at that target. They need to be accompanied by demonstration projects, and those demonstration projects will help us to make progress in the field of alternative energies. There is geothermal energy in the Community that is not used. Here we must do more. We must do something to accelerate progress in coal liquefaction and gasification. Your support is also the key to the greater co-operation that Mr Osborn requests in his question. Up to now this co-operation has largely been confined to the International Energy Agency. In the present field we can go forward and finance pilot projects only if you allow us, through your approval of appropriations, to collect more experience so that we may develop coal gasification and liquefaction in the Community. We therefore welcome the fact that you are now doing this.

In the framework of this Energy Agency we have useful co-operation with the United States. In addition, we have a bilateral exchange with that country. The agreement with the Federal Republic of Germany was concluded in the framework of the Energy Agency and it is also in the Agency that comparative reviews will be held of research at national level. This has proved useful.

Regarding our relations with Israel, you may like to know that we sent a mission there only a few days ago. There, too, we are sounding out ways and means of improving co-operation. I think that all this proves to you that everything we do in this Community to create a lasting basis for Community projects through common funding is at the same time the key to a greater measure of co-operation with third countries. By supporting us here today you are creating possibilities for co-operation with such countries.

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

10. *Decision on large urban concentrations (debate)*

**President.** — The next item is the report (Doc. 351/77) by Mr Evans, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council for a decision adopting a concerted research action on the growth of large urban concentration.

I call Mr Willi Müller to deputize for the rapporteur and also to speak on behalf of the Socialist Group.

**Mr Willi Müller, deputy rapporteur.** — (D) Mr President, ladies and gentlemen, this report of the Committee on the Environment, Public Health and Consumer Protection on the proposal of the Commission for a concerted research action on the growth of large urban concentrations has an importance and significance which all Members will surely acknowledge. Referring the Commission's proposal to Parliament, the Council requested that its opinion be given as quickly as possible in order to ensure that the Council, for its part, might take a decision on the proposal within the nine-months period. The committee accordingly made an effort to consider the Commission's proposal with all speed by calling a special meeting to discuss this report, on which a decision has to be taken. The committee would have preferred to look more thoroughly and with greater care into the Commission's proposal and give its opinion on each of the proposed research subjects. However, it refrained from doing so in order not to expose itself to the criticism of causing delay and a certain degree of inaction because of this more thorough scrutiny.

The Committee on the Environment, Public Health and Consumer Protection approved the report without waiting for the opinion of the Committee on Budgets. This also explains the fact that there is an amendment proposed by the Committee on Budgets, to which the rapporteur has no objection.

To turn now to the matter itself, the proposal is for a research programme, in the form of a concerted action, on the growth of large urban concentrations. It would be a Community action involving the Commission and eight Member States, Luxembourg not being included, as in another report, because — fortunately, one may well say — Luxembourg is not affected by the problems of urban concentrations in the same way as the other Community countries. This research programme will be executed and financed by the member countries on their own responsibility. The contribution of the eight Member States concerned amounts to about 1 million EUA, which is several times the cost to the Community of co-ordinating the programme, estimated at only 200 EUA.

I am sure, Mr President, that all Members of the House agree that the growth of large urban concentra-

tions is of the utmost significance for the political, economic, social and cultural development of our Community area. Your committee therefore welcomes the Commission's proposal without reservation. The preliminary work on this proposal goes back to 1972, and as a result of this very thorough preparation lasting several years the Planning Group on Town Planning and Housing Structures proposed to us that there should be a comparative analysis at Community level of the causes, dynamics and consequences of the development of large urban concentrations.

The research topics finally proposed by the Commission can be classified under the following four headings: location of economic activities, migration, evaluation of urban planning and other aspects of urban growth. In all, the Commission is proposing 22 separate projects, two in Germany, four in France, two in Italy, two in Ireland, three in the Netherlands and six in the United Kingdom. These programmes will be carried out by expert groups in universities and government agencies in the eight countries. The only task for the Commission is to co-ordinate these activities and to ensure that information about their results is regularly exchanged.

At the end of the second year, the Commission will produce a final report on all the activities and transmit it to the Member States and the European Parliament. This matter was the subject of some comment at the committee meeting, to which I would draw Mr Brunner's attention. The point was made that, in the event that the report were not published, the European Parliament, too, might not be informed about the results. It would certainly help matters if Mr Brunner could assure us once again that we, as a Parliament, would be given the results of this programme whatever happens.

That, Mr President, brings me already to the end of my comments; the point I have just raised concerned the only doubt that your committee had about the Commission's proposal before us. I would therefore like to propose, for these reasons, that this House unanimously approve the motion for a resolution and thus put the Council in a position to take an immediate decision on the proposal. To shorten our debate, I would like at the same time to state on behalf of the Socialist Group that it will be voting in favour both of the proposal and of the proposed amendment.

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

**Mr Fuchs.** — (D) Mr President, ladies and gentlemen, I can fully support what the rapporteur has just said. This research programme meets with the approval of the Christian-Democratic Group, precisely because we consider that the development of large urban concentrations is a matter of primary impor-

**Fuchs**

tance. We know that there is a danger of their getting out of control, we talk about them overspilling and describe them as malignant tumours. So we must find some way of controlling them, and for that we need a practical scientific basis. The co-ordination of individual research projects is the right kind of instrument for this.

I must, however, add my profound regret that once again this project has had to be raced through Parliament at a gallop. It has already been said that the committee concerned had to have a special meeting and that there was no time to wait for the opinion of the Committee on Budgets; I now have to add that, in addition, the Committee on Regional Policy, Regional Planning and Transport was unable to give its opinion; in my view, it would have been essential to hear the views of that committee on this question, because if there is a regional planning problem at all then it is certainly that of the big towns and conurbations. The appropriate conclusions should be drawn from this for the future so that there can be meaningful consultation in the bodies of this Parliament.

I am glad to see that it is apparently the intention of the Committee on Budgets to make funds available for this urgent project already in 1978, whereas the Council, to the best of my knowledge, had made purely a pro mem. entry. If we recognize the urgency of the problem, then we ought to draw the relevant conclusions and do everything necessary to enable the various research projects concerned in the eight Community countries to be effectively co-ordinated under the direction of experienced people aware that in this programme steps are being taken which may help to improve the living conditions of the people in our Community. From this standpoint we give our unequivocal agreement to the proposal.

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

**Mr Veronesi.** — (I) We approve this initiative, although it seems to us to be very limited and late in relation to the Community's requirements. I come from a town whose urban and administrative policy has been officially recognized as sound by the Council of Europe, and therefore I fully understand the importance of the problem. Nevertheless, I believe that the situation is largely compromised and that it is useless to embark on reorganization studies. Instead, what I believe to be important is a broader vision. Our studies should be at the European level and concern communities, industrial and civil settlements, and the links between sea-ports, airports and roads, with the object of tailoring the fabric of towns and roads to suit Community policy.

**President.** — I call Mr Ripamonti.

**Mr Ripamonti.** — (I) Mr President, I find it strange that Parliament should devote only a few minutes to a

subject which is of such importance to our continent from the human, economic, social and cultural standpoints. I am grateful to the Commission for having tackled the problems of regional planning, the only framework in which there can be balanced urban development and structures guaranteed providing the right conditions for people to live together in towns.

I shall therefore confine myself to the one comment that, for an expenditure of 200 000 u.a., the Commission, in the preliminary draft budget, had foreseen a payment appropriation of 70 000 EUA and an authorization to commit 100 000 EUA. The Council has deleted these appropriations and entered only a pro mem. on the budget line. In its consideration of the draft budget, Parliament approved an amendment restoring the appropriation of 70 000 u.a. and the authorization to commit 100 000 u.a.

We can therefore only hope that the Council will take this recommendation of Parliament into account when it submits the budget to us. It would be strange if we were to vote in favour of the Commission's proposal today — thus requiring the Commission itself to start work, on 1 January 1978, on the first 2-year phase of studies in preparation for the final project — and if no reference to the relevant expenditure appeared in the 1978 budget. The amendment regarding Article 3 proposed by the Committee on Budgets serves solely to restore the normal powers of the budgetary authority.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, I shall certainly endeavour to follow your wish and be very brief, but I wish first to thank those who have spoken in support of the Commission's proposals in the course of this debate, in particular the committees which have dealt with it and the rapporteur. I especially wish to thank them for having been willing to treat this as a matter of urgency and devote extraordinary meetings to it. We regret that it has had to be dealt with so quickly, but there are reasons for this: not only the importance of the matter, but also certain technical budgetary reasons. That, of course, does not mean that urbanization and the problems connected therewith will not be debated more fully in this House on later occasions: the Commission certainly hope that that will be the case.

I will not take up time this morning by going through figures to demonstrate the extraordinary nature of this problem. The dramatic increase in our big cities over the last 20, 30 or 40 years has changed our demographic landscape in a most radical manner and has had all kinds of serious consequences of a social, political and economic nature. Whilst naturally the Commission has already taken, or is in the progress of taking, a number of steps to deal with these problems under

**Gundelach**

the social, regional and environmental programmes, we obviously need a concerted study to form the background, the basis, for deeper and more far-reaching action in this field. Hence this concerted action concerning studies. We think it is needed urgently and we are pleased with the support it has received from this House, even if it had to be done in somewhat of a hurry, but we are in a hurry to come to grips with these very serious problems.

On specific points, I confirm that the report referred to in the proposal, the general report, will be sent to Parliament as required by Article 5 of the decision, and that, if a Member State should object to publication, the Parliament's right to receive the report will not be affected.

The draft resolution calls on the Commission to report to the Parliament on the progress made in the various studies provided for in the programme, which would give an opportunity for debate. Since the research projects have been commissioned by the governments of the Member States, it will be necessary to obtain their consent before making a report on individual research projects, but this will not prejudice the availability of the general report to the Parliament. The Commission will therefore forward the reports in all cases where consent is given and will naturally do its very best to obtain such consent from all Member States, in order that you can have not only the full final report, but also the progress reports and thereby a basis for debate.

Finally, Mr President I should like to make it clear that the Commission is prepared to accept the amendment proposed to Article 3 concerning budgetary matters, and therefore there are no amendments put forward which the Commission is not agreeable to, nor comments which we do not accept.

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

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

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

**IN THE CHAIR : MR COLOMBO**

*President*

**President.** — The sitting is resumed.

**11. Question Time (contd)**

**President.** — The next item is the third part of *Question Time*. We proceed with questions to the Commission.

Question No 12, by Mr Osborn, has already been dealt with in connection with the report by Mr Brown (Doc. 362/77).

Question No 13, by Mr Hamilton, for whom Lord Castle is deputizing :

Subject : EEC-Japanese Trade

Is it possible to make a full statement on the results of the recent visit of the President of the Commission to Japan ?

**Mr Burke, Member of the Commission.** — On the invitation of the Japanese Government Mr Jenkins paid an official visit to Japan from 11 to 14 October 1977. It was the second of the President's visits outside the European Community since taking up office. This underlines the importance the Commission attaches to the Community's relations with Japan.

Mr Jenkins was received by Emperor Hirohito and had talks with the Prime Minister, Mr Fukuda, the Minister for Foreign Affairs, the Minister for International Trade and Industry, the Minister for Finance and leading representatives of the Japanese business community.

A number of multilateral questions were discussed, such as the multinational trade negotiations, the North-South dialogue and issues which were considered at the Downing Street Summit. The main emphasis of the visit, however, was put by Mr Jenkins on the discussion of bilateral problems between Japan and the European Communities, and particularly on the difficulties arising from Japan's great trade surplus with the Community. Mr Jenkins made it clear that the Community was committed to a liberal trade policy and to taking the lead in the fight against protectionism. This general approach towards Japan could, however, be maintained only if a major change in the present bilateral balance of trade was achieved.

A threefold approach towards resolving our bilateral difficulties was outlined by Mr Jenkins. First, the Community needed self-restraint by Japanese exporters in a number of sectors, where a rather too rapid and deep penetration of Japanese products had led to a dangerous degree of unemployment in the Community. Secondly, the Community itself had to expand considerably its trade with Japan. In order to fulfil this aim, we needed to increase our exports to the Japanese markets. This meant not only increased efforts on our part, but also a Japanese contribution to making their markets more accessible and withdrawing trade barriers which still existed in a number of sectors.

Thirdly, Mr Jenkins proposed the establishment of a joint study group to analyse and monitor bilateral trade and payment developments, which will report to six-monthly high-level consultations between the two sides. This proposal was accepted by the Japanese Government.

Mr Jenkins was very pleased with his reception in Tokyo ; he hopes that his visit will serve to strengthen

**Burke**

the political relationship between the Commission and Japan, and contribute to the resolution of the bilateral and other problems which he discussed with the Japanese Government.

**Lord Castle.** — I hope the Commissioner will take it from me that Mr Jenkins' pleasure at the outcome of his visit will be very much welcomed by Parliament, but we shall, of course, wish to find grounds for that pleasure in the first report from the joint committee which has been set up. I can assure him that this question was inspired by an anxiety that this Parliament, as well as the Commission, should keep up monthly monitoring of a situation which gives rise to grave concern because of the way in which it distorts the natural development of world trade. Will he therefore see that the Joint Committee examines not only the success of Japanese export endeavours, with which we are all familiar but also the increasing failure of Europe,—as indicated by statistics as well as our own personal experience on the spot,—to penetrate the Japanese import market? It seems to me that this is a two-way business in which our concern should be as much about export to Japan as about their exporting to us. I would welcome the assurance that that attitude will be adopted by the Commission.

**Mr Burke.** — I note the two parts of the honourable Member's supplementary question, and I agree with them. Parliament, like the Commission, has an interest in the monitoring of these talks and these negotiations. Secondly, I would like to assure him on behalf of the Commission that the very points he has raised in regard to the importance of penetration and accessibility of the Japanese market will be taken into account in these joint negotiations, given the statistics, which are rather frightening, that Japan accounts for 40 % of Europe's current trading deficit and that Europe accounts for 25 % of Japanese current trading surplus. There is a gap. I am fully aware of it, the Commission is fully aware of it, and I am glad that the honourable Member is, in fact, calling attention to this important problem.

**Mr Cifarelli.** — (I) Does the Commission not agree that there is a need to analyse, product by product and sector by sector, the reasons for the prevalence of Japanese competition?

**Mr Burke.** — I can assure the honourable Member that the Commission is continuously in the process of analysing these problems down to the minute details, for example, the number of tariff barriers still remaining between the two sides, such as the twenty-seven things which have not yet been reduced, twenty-two of them being agricultural and others leather and so on. We are getting down to the precise details, so I can assure the honourable Member that these things are being done.

**President.** — At the request of its author, Question No 14, by Mr Edwards, has been deferred to a later part-session.

✓ **Question No 15, by Mr Dondelinger :**

**Subject :** Competition from the Comecon countries in the iron-and-steel sector

Does not the Commission think that if we are effectively to protect employment in the Community's iron-and-steel industry it would be advisable to conclude with the Comecon countries, whose steel exports to the Community, especially the Benelux countries, the United Kingdom and France, continue to increase, the same voluntary restraint arrangements as those concluded and successfully applied with Japan?

**Mr Burke, Member of the Commission.** — The Commission wishes to state that, following talks it has had with Japan, that country is now exercising some voluntary restraint on its steel exports to the Community. However, there is no voluntary restraint agreement between the Comecon countries and the Community. The Commission wishes to draw the attention of the honourable Member to the fact that there are quota restrictions on imports of the most sensitive iron and steel products from the Eastern European countries into the Member States which are most exposed to such imports, that is, the Benelux countries Germany and Italy. The Commission is aware that imports of products from the Eastern European countries are also creating problems for other Member States. As a result of the introduction in April 1977 of the automatic import licensing system, the Commission is able to keep a closer watch over the trend of imports into the different Member States and to perceive the implications. Regular consultations take place on this matter between the Commission and the relevant Council bodies.

**Mr Dondelinger.** — (F) The Benelux countries and Germany do observe the quotas on steel imports from Eastern European countries, whereas the new Community Member States and the French Republic do not respect them in the same way. Can the Commission state what it intends to do to ensure that these countries also respect these quotas, because we must not forget that every ton of steel imported into the Community is a ton of steel that is not produced by our workers.

**Mr Burke.** — I can assure the honourable Member that the Commission is continuously monitoring these developments. In April 1977 it delivered a recommendation to the Member States concerning this matter. Of course, the Commission does not have complete competence in this matter. It is a matter, as he knows, concerning Article 71 and Article 74 of the ECSC Treaty. However, I understand, and have been informed, that we are keeping a close eye on the situation. I will bring his comments to the attention of the Commissioner who has particular responsibility for this portfolio.



**Mr Cifarelli.** — (I) Can the Commission also provide better controls against possible infringements of these agreements by those Community Member States which have commercial dealings with state-trading countries?

**Mr Burke.** — Yes, I do indeed take the point of the honourable Member's question. I will reply, as I have already done, that the Commission does not have exclusive competence in this area and has, in fact, been in touch on a number of occasions — in April and September of this year — with the Member States, with a view to consultations to see how we could solve this problem of imports from eastern states. I am sure it is no secret that the Member States themselves do not agree on the lines along which this problem should be approached. One of the problems of the Commission is to bring about a greater consultation between the various Member States. We will continue to seek the best possible solution in this regard.

**President.** — Since its author is not present, Question No 16, by Mr Flämig, will be answered in writing.<sup>1</sup>

Question No 17, by Mr Durieux, for whom Mr Feit is deputizing:

Subject: The Commission's position on enlargement of the Communities

What part was played by differences of opinion on the institutional and economic consequences of the accession of the three applicant countries in the Commission's decision not to forward to the Council the interim report on enlargement and the problems facing Mediterranean agriculture?

**Mr Gundelach, Vice-President of the Commission.** — Mr President, the answer is actually very simple. There has been no disagreement in the Commission over the institutional and economic implications of enlargement. Consequently, no such disagreement has had anything to do with the way in which the Commission decided to present its interim views on the subject of enlargement in the month of October.

**Mr Feit.** — (F) The Community has decided that negotiations for accession should go hand in hand with a revision of agricultural policy in regard of the Mediterranean products. Would the Commission not think that a hardening of the Community's position on this might have unfavourable repercussions on the negotiations for the accession of Greece?

**Mr Gundelach.** — I would go one step further than the honourable Member. The proposal which I have undertaken to make to the Commission — and the Commission have fully endorsed the Council — will be in regard to our own Mediterranean problems. The serious discrepancies in the Community, particularly with regard to agricultural development, between the Northern part of the Community, in Ireland in parti-

cular, and the Mediterranean areas, are such that, in the name of solidarity, something must be done. The proposal we are undertaking to make with regard to agricultural policy in the Mediterranean area before the end of the year will be directed towards the problems existing in the present Community. This will have an indirect effect on the problems of enlargement. This proposal will of course be directed towards reinforcing present Community policy in that particular area, and on that basis we will be in a better position to deal with the subsequent question raised by the enlargement of the Community.

**Lord Bruce of Donington.** — Is the Commissioner aware that this is largely an academic exercise? Is he not aware that the enlargement of the Community, in the sense named in the question, would mean a radical restructuring of the entire common market agricultural policy — to which he himself has referred, in not too respectful terms — in other words, this insane policy of buying for intervention rather than consumption? Is he aware that neither this common agricultural policy, nor its regulations, can be changed without the unanimous consent of the Council, which in these circumstances, is most certainly unlikely to be obtained? Is not the exercise therefore, one of propaganda and of academic significance only, in view of the unanimity required of the Council for change?

**Mr Gundelach.** — No, I do not think this is an academic exercise, for precisely that reason which the honourable Member has himself given. I do honestly believe that there is disequilibrium between various regions of the Community, and I think this disequilibrium has to be dealt with, in the name of the solidarity without which the Community is not a Community. The method which would have to be followed is a different matter.

One has to put a main emphasis on structural policies, because there is no point in repeating in a Mediterranean area, the mistakes which have been made in the northern part of Europe. In other words, there is no point in reforming agricultural policy in the Mediterranean area which will then lead to new surpluses of a structural nature in that part of our Community. Great emphasis will have to be put on structural reform, otherwise, we will not have a Community of solidarity. Certain things will also have to be done about market regulations because they are not up to date.

That being said, the honourable Member extended the discussion to the problems of what might be called, briefly, the northern agricultural policy, not forgetting that France and Italy also produce meat and the products which fall under that so-called northern agricultural policy. But it goes without saying, as I have said in this House on several occasions, that at the same time, we have to carry out the change in modalities to that policy, in order to avoid the structural surpluses and to avoid a situation where our agriculture

<sup>1</sup> See Annex.

**Gundelach**

is just producing for intervention, and not for a potential or an existing market. On that I have no quarrel with the honourable Member. But there is still serious work to be done to re-establish a better social balance between the southern part and the northern part of Europe. This is part of establishing a stronger Community which can then accept the consequences of the desirable extension of the Community.

**Mr Spicer.** — The commissioner will, I am sure, be aware of the population explosion that is already taking place in Turkey, and of the strong possibility that Turkish agriculture will not be able to keep pace with that population explosion. Given these two firm facts. I wonder if he could comment on our present Association Agreement with Turkey, and give any indication that a review of it, particularly in the agricultural sector, might be considered in the fairly near future?

**Mr Gundelach.** — We have always said, from this side of the Commission, that the enlargement of the Community should not be made on the backs of third countries — not only Turkey. This could also have been part of the reply to Lord Bruce as well. There is no point in strengthening our protectionism, and letting the enlargement take place at the cost of third countries, with whom we have excellent relations, trade-wise or otherwise. That applies generally. But of course, it applies also to Turkey, with whom we have an Association Treaty and with whom we have many other links. It is the Commission's policy, which we hope will be adopted by the Council as well, that, in the process of enlargement, we would be sensitive and sensible in dealing with the acute problems of Turkey, including those in agriculture. As far as the Commission is concerned, this willingness is definitely there.

**Mr Inchauspé.** — (F) During the interim period which is to precede the accession of Spain to the Community, economic relations between the two parties are to be governed by the preferential trade agreements of 1970. Can Spain, in that case, prohibit now the imports of certain products which it has hitherto been accepting until now, without making the slightest move to request a derogation?

**Mr Gundelach.** — We are unfortunate in that there are a number of irregularities in our trade relationship with Spain. Spain may be partly to blame for these, but part of the blame may also be laid at the door of the Community, which has not been able to agree on a negotiating mandate to replace the mutual trading arrangements with the old Community of the Six, extended to the new Community of the Nine. And there are certain difficulties which are partly our responsibility and partly also the responsibility of the government of Spain, but I think the principal responsibility lies with us. It is my hope that the measures which the Commission will be proposing before the end of the year — well before the end of the year, I hope — in regard to Mediterranean agriculture will pave the way for the elimination of these various irregu-

larities which exist in our trading relations with Spain, including the one to which the honourable Member has made reference.

**President.** — In the absence of their authors, Questions Nos 18, by Mr Leonardi, and 19, by Mr Howell, will be answered in writing.<sup>1</sup>

At the request of its author, Question No 20, by Sir Geoffrey de Freitas, is deferred to a later part-session.

In the absence of its author, Question No 21, by Mr Lagorce, will be answered in writing.<sup>1</sup>

At the request of its author, Question No 22, by Mr Prescott, is deferred to the December part-session.

Question No 23, by Mr Normanton :

Subject : European motor industry

To what extent is the Commission consulting the European motor industry in evolving industrial policy, and, in view of their importance to the economies of Member States, does the Commission include in their consultation those European firms in which there is US investment?

**Mr Burke, Member of the Commission.** — The Commission would inform the honourable Member that when the Commission's document on the future of the Community's motor vehicle industry was being drawn up, both sides of the motor vehicle industry were given the opportunity of expressing their opinion. Where motor vehicle manufacturers are concerned, no distinction was made between all European undertakings and undertakings financed with American capital. Some of the undertakings of American origin have had direct contact with the Commission at the highest level, while others preferred to express their views to the liaison terminology committee on automobile manufacture for the EEC countries. That is the central organization of the trade associations of motor vehicle manufacturers in the Member States. Companies of American origin also sent experts to participate in the Commission's work on the rational use of energy and transport. The liaison committee and the Commission are now jointly organizing a further series of meetings on industrial, commercial and energy questions affecting the motor vehicle industry. The first meeting is to be held at the end of January 1978.

**Mr Normanton.** — I am very grateful for that comprehensive reply. I should like to make two observations, and express the hope that the Commission will be able to give a very much fuller report on the progress which it is aiming at achieving, perhaps by the end of February. The first one is on the progress of technical specification. Is the Commissioner satisfied that the Community as such is making sufficient progress in this field of achieving common technical standards in the European automobile industry? Secondly, the Commissioner did refer to the liaison committee of the motor industry, but is he satisfied

<sup>1</sup> See Annex.

**Normanton**

that the motor industry of Europe, with or without American involvement, is adequately represented by machinery which can speak with one voice on a very important sector of industry? In his reply I hope he will set a deadline by which the Commission will be in a better position to report more comprehensively on the progress towards fulfilment of an industrial policy for this major sector.

**Mr Burke.** — In answer to the honourable Member, I pointed out that there were two ways in which interested members of the automobile manufacturers' association could be in contact with the Commission. One was by direct contact at the highest level with the members of the Commission or with the officials of the responsible Directorates-General, and the other was through the liaison committee to which I have referred. In regard to the second question as to the machinery, I can only say that I think that the machinery is adequate. In the drawing up of the document, to which I referred in the answer, on the future of the Community's motor vehicle industry, contact was made with these various bodies, and I will certainly see to it that there is no delay in the further processing of this. I would hesitate to offer the honourable Member the suggestion that February might be a suitable time, although the meeting is scheduled for January. It might take a little longer. All I can offer him is that there will not be any undue delay. As to the first part of his supplementary, as to whether we are making sufficient progress in technical matters, that is something on which there could be varied views. I imagine that, from the point of view of the Commission we are doing all we can, but, from the point of view of the motor manufacturers, we are not doing enough. I would think that, given the constraints on us and the difficulties, we are making reasonable progress in the circumstances.

**President.** — At the request of its author, Question No 24, by Mr Dalyell, is deferred to a later part-session.

Question No 25, by Mr Pisoni, for whom Mr Granelli is deputizing:

Subject: Sickness insurance of officials of Community Institutions in Germany

The sickness insurance of officials of Community Institutions is not recognized at law in Germany. German universities require students to be insured against sickness. Since students are usually covered by the insurance of their parents, it follows that children of Community officials attending German universities are obliged to bear the cost of an additional insurance.

Is the Commission aware of this fact and what measures, if any, does it intend to take to eliminate this discrimination?

**Mr Burke, Member of the Commission.** — Practically all the universities of the German Federal Republic accept without question the certificates provided by the Commission confirming that children of officials of the European Communities attending universities are

covered by the sickness insurance scheme of the Communities and do not require any supplementary insurance in respect of such children. Only a few universities have refused to take into consideration such a certificate, thus obliging the children of Community officials attending these universities to have supplementary sickness insurance. Certain of these problems have already been resolved as a result of representations made by the Commission. With regard to the rare cases not already resolved, the Commission intends to do everything possible by direct contact with these universities to ensure that children of Community officials attending such universities are no longer obliged to be covered by any supplementary sickness insurance, so long as their parent is covered by the Community sickness insurance scheme.

**Mr Granelli.** — (1) But of course these exceptions are a matter of principle for us. Clearly, where they exist, they result in discrimination within the Community and, in the case of the Federal Republic of Germany, in differences of treatment between the Länder. Much has, however, been achieved, and we trust that more can be done on the same lines with further efforts to eliminate the remaining obstacles.

**Mr Burke.** — Mr President, I think it might be helpful if, in order to avoid any further possible misunderstanding here, I were to indicate briefly the legal basis for this request. We are dealing here with the Staff Regulation of the European Communities, which is in accordance with Article 28 of the Treaty establishing a single Council and a single Commission of the European Communities. The regulation is also in consonance with the rules of Article 189 of the Treaty establishing the European Economic Community, and is binding in its entirety and directly applicable in all Member States. Lastly, I would like to recall that it follows from Article 15 of the Protocol on the Privileges and Immunities of the European Communities that the Council, acting unanimously on a proposal from the Commission, lays down this scheme of social security benefits for officials and other servants of the Communities. I think that this extra indication of the legal basis should be sufficient to enable the university authorities to change the situation in the very few cases in which it occurs.

**President.** — Question No 26, by Mr Nyborg:

Subject: Reduction of third countries' fishing-quotas in Community waters

Does the Commission intend to reduce the fishing-quotas of third countries in Community territorial waters until such time as negotiations with these countries have been concluded, and does it intend at the same time to carry out inspections to ensure observance of these quotas?

**Mr Gundelach, Vice-President of the Commission.** — Mr President, in the course of this year in which the Commission has been responsible for fishery questions on behalf of the Community as a whole, we have not been able to have long-term or final agreements with third countries, due to the fact that we have not yet

**Gundelach**

arrived at agreement on an internal fishing policy. We have had to resort to short-term rights on our side to certain third countries and on their side to us — on a three-month, two-month, sometimes even a one-month basis, which is not very satisfactory. In the course of that process we have naturally tried, as far as possible, to establish and safeguard fishing opportunities for Community fishermen in third country waters, such as those of Norway and the Faroe Islands, and we have exerted continual pressure on Iceland to reopen the fishing there for those boats which have had to leave and provide maintenance for those that are still fishing there. So where there is a possibility of reciprocity, we are naturally willing, when this reciprocity is forthcoming, to permit the fishermen of these countries to fish in our waters, because it is in our interests to do so. It is a mutual agreement on a reciprocal basis. Where there was a question of third countries which could not grant us reciprocity, we have phased out their fishing in our waters. That is the direct answer to the question posed. In certain cases it has been done fairly quickly; in other cases, like that of certain Eastern European countries where, for example, there was some reciprocity in the Barents Sea, we did it more slowly. From the moment when reciprocity was no longer available, as in the Barents Sea, where the Russians boarded our trawlers fishing in these waters, the fishing of their vessels in our waters was scaled down to zero. So there has been a scaling down practically to zero for third country fishing, when the third countries in question could not give the Community any reciprocity.

I would like to add, in regard to the Eastern European countries fishing in our waters, particularly Soviet Russia, that it has stopped. The Russians have accepted our rules, as we have had to accept their rules. It remains a fact, however, that their mother ships — because they fish with mother ships, which send out smaller trawlers to do the fishing, and carry out certain fish processing operations on the mother ships — are still in our waters. It is a matter of concern to the Commission to ascertain how these mother ships are being provided with the raw material for their processing operations. Are they being provided by fishing carried out on a smaller scale by Community boats carrying the British flag, thus depleting our waters of fish intended for other fishing fleets, including those from other parts of the United Kingdom, or of fish needed for raw material for our factories for processing fish for human consumption, factories which are important from the point of view of employment. Is the policy we are pursuing towards Soviet Russia, which is not one of confrontation but one of seeking a genuine balance, being undermined by activities which are not in keeping with the interests of the Community? The Commission is extremely concerned about this particular point and would like to study it in conjunction with the Member States directly concerned.

**Mr Nyborg.** — (DK) Mr President, I should like to thank Mr Gundelach for his very exhaustive answer: it

was so exhaustive that I have only a very small supplementary question. As far as I can understand, Norwegian fishermen have taken a much larger catch in Greenland waters than had been expected because industrial fishing has expanded much more than had been foreseen. I should like to know whether the Commission has thought of limiting Norwegian fishing in Greenland waters because of this?

**Mr Gundelach.** — There are two immediate problems which have arisen in the context of third countries fishing in Greenland waters. One, referred to by the honourable Member, is industrial fishing. The Commission is in agreement with the Danish authorities and the local authorities of Greenland on the need to put a stop to the exploitation of fish resources in Greenland waters for industrial purposes, including exploitation by Norway. These fish resources are extremely feeble and must therefore be preserved. There is another issue which has been a matter of contention between the Community, — on behalf of Greenland — and Norway, and that is the fishing of shrimps, which have been a traditional Norwegian catch in Greenland waters. That is not a matter of principle, but a matter of attitude. This can be the subject of negotiations between those parties and a satisfactory agreement can be found.

**Mr Spicer.** — Will the Commissioner accept the thanks of those of us who are involved in the mackerel fishing areas of the United Kingdom and, I believe, of France for the very strong and firm statement he has made about the activities of Russian mother ships. Could he please just confirm one fact? If Scottish trawlers and trawlers from the North East coast are coming down to the South West, and are taking fish out and feeding them into these Russian ships on the scale which we believe could develop over the next six weeks, then this could spell disaster for the mackerel fishing industry on the same scale as it did for the herring fishing industry in the North Sea, unless it is stopped almost immediately.

**Mr Gundelach.** — Mr President, I find myself in agreement with this statement. Mackerel is one of the species of Community fish which are still available for some increased exploitation by our fishing fleets, which are under extreme pressure owing to the need for measures to conserve herring and other species. There is therefore some room for additional exploitation of mackerel. Our fishing industry is suffering from a lack of raw materials due to, for instance, the herring ban, and there is some possibility of adapting our industrial processes to mackerel. Therefore, maintaining the mackerel availability for our own fishing-fleets and for our own fishing industry is a matter of high priority and urgency for the Community.

**Mr Jensen.** — (DK) What kind of pressure is the Commission considering applying to third countries such as Norway to obtain reasonable quotas for Community fishermen in their waters?

**Mr Gundelach.** — The essential purpose of our negotiations with Norway is to find a reasonable balance between the effort of their fishermen in our waters and of our fishermen in their waters. The matter is complicated by the fact that there are some waters with stocks of fish which are partly in our territory and partly in theirs. This common stock is consequently something which we have to administer jointly. The problem posed for the Community is that in tonnage our respective interests are about equal, whereas in value we fish more in Norwegian waters than they do in ours. However, whilst we are negotiating fish against fish, it is no secret that we are negotiating these agreements with Norway in the overall framework of the good-neighbourly relations we have with that country. The community has a free-trade area with Norway and there is much cooperation between Norway and the Community. I would not therefore use the word 'pressure'; I would prefer to say that we are here negotiating with Norway within the broader range of common interests we have with that country, and that is accepted by that country as well.

**Mrs Ewing.** — Mr President, is there not a certain air of unreality about the answers of the Commissioner in this matter, when everyone who studies the subject of fishing must accept the basic fact that between 62 and 65 % of the EEC pond are UK waters, of which a high proportion are Scottish waters? I regard the remarks of my colleague, Mr Spicer, with disdain, because everyone knows that here the major fleet is being condemned to a rotten bargain by anybody's terms. If anyone in this House is fair, he cannot get round statistics. Is it not the case that the Rt. Honourable Minister for Agriculture, Mr Silkin, is so aware of the situation that he has recently had to point out gently that, with 62 or 65 % (*Interruptions*) of the Pond — the figures vary — being made up of UK waters, the 21 or 22 % being offered is unreasonable? If that is agreed, obviously it must be that Mr Gundelach must try and keep third countries out of the Pond. Is there not just an air of unreality ...

**Mr Spicer.** — A question!

**Mrs Ewing.** — The question is quite simple: is there not an air of unreality about Commissioner Gundelach — Mr Spicer does not like it because he is trying to blame the Scots for a bit of poaching here and there.

(*Interruptions*)

The position is that the Scots have the major part of the EEC Pond, and that is the thing we are negotiating with in this Community with third Countries. Is that the case, first of all? And secondly, are you going to keep the third countries out of our waters, and are we going to get a realistic quota ...

**President.** — Mrs Ewing, will you please limit yourself to a question?

**Mrs Ewing.** — There are many ways of asking a question, as the President is old and wise enough to know. My question has been put in my own way.

(*Laughter*)

It is: is it right that Scotland, with the major part of the Pond of this whole Community, the whole basis on which you negotiate with third countries, is being done down to the point that the Minister in London is saying we are going to take unilateral action with regard to the 200 miles? That is the rock on which the whole of the UK may even perish with the EEC.

(*Protests*)

Is it not time you all started looking at the figures?

**Mr Gundelach.** — Mr President, the question which has been put to me concerns our relations with third countries, and I note that the honourable Member from Scotland has declared herself in agreement with the statement which I made in this particular respect.

With regard to the wider issues of fishing policy which she has raised, I am looking forward to the debate which will take place in this House — for the fifth or sixth time — in the month of December. I would just like to remind the honourable Member that in all the proposals of the Commission, including the last one to be made, a considerable amount of preference for Scottish fishermen has been included, in the same way as for the Irish or for the Greenlanders — in other words for those populations which are heavily dependent on fishing. I am looking forward to discussing this aspect of the problem more fully with the Parliament when we return to it, on the basis of proposals we have made, in the month of December.

**President.** — I call Mr Jahn.

**Mr Jahn.** — (*D*) I should just like to make one final comment about fishing and fishmeat. Mr Gundelach, would it not be a good idea, given that the mackerel, if I am correctly informed, is an enemy of the herring, to extend mackerel fishing in order to permit the breeding of herring, which we all enjoy eating so much?

**Mr Gundelach.** — That was not the question, Mr President. We are extending our fishing for mackerel, we would just like to have that mackerel available to the extent necessary for the processing industries of our own community. Why not? Because it means employment in Scotland.

**President.** — Question-time is closed.<sup>1</sup>

<sup>1</sup> See Annex: Questions to the Commission which could not be answered during Question-time, with written answers.

**President**

I thank the representatives of the Council and the Commission for their contributions.

IN THE CHAIR : MR DESCHAMPS

*Vice-President*12. *Draft Amending Budget No 2 for 1977 (vote)*

**President.** — The next item is the vote on draft Amending Budget No 2 for the 1977 financial year and on the motion for a resolution contained in a report by Lord Bruce of Donington on behalf of the Committee on Budgets (Doc. 387/77).

I remind the House that draft amendments, in order to be adopted, must receive the votes of a majority of the Members composing the European Parliament — that is to say, 100 votes in favour.

As usual, we shall consider adopted all those articles on which no amendments or proposed modifications have been tabled.

On the various parts of draft Amending Budget No 2 for the 1977 financial year, I have two draft amendments which both relate to *Title III: 'Expenditure on specific projects undertaken by the Institution'*:

Amendment No 1, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets :

Section III — Commission (pages III/14 and III/18)

(A) *Expenditures*

Title 3 — Expenditure on specific projects undertaken by the Institution

Chapter 33 — Expenditure on research and investment

Item 3332 — Fusion and plasma physics (JET project)

Enter payment appropriations of 20 551 000 u.a.

(a) *Commitments*

Enter commitment appropriations of 17 527 000 u.a.

(B) *Revenue*

Unchanged.

(C) *Compensation*

Article 339 — Provisional appropriations

Item 3394 — Provisional appropriations for the project 'Fusion and plasma physics — JET project'

Reduce commitment appropriations by 17 527 000 u.a. and payment appropriations 20 551 000 u.a.

Delete the remarks against Item 3394.

(D) *Remarks*

Unchanged.

**JUSTIFICATION**

Draft Amending Budget No 2 was drawn up at the beginning of October 1977. Since it was forwarded to Parliament, the Council has at last taken a decision on the site of the Joint European Torus (JET): hence the need to amend the amending budget in order to enter the funds required for this project.

As the delay incurred is entirely the fault of the Council and as the need for this draft amendment arises solely from the Council's late decision, the latter is called upon to approve it without initiating a second stage in the budgetary procedure, since this would defeat the purpose of the budget by making it impossible to commit the expenditure by 15 December, the deadline laid down in the Financial Regulation.

**President**

If this amendment is adopted by the European Parliament, a second amendment to Annex I to the 1977 budget would be necessary. This second amendment would break down the appropriations shown in this Annex and establish a timetable for the 1977—80 period.

Amendment No 2, tabled by Lord Bruce of Donington on behalf of the Committee on Budgets :

## Section III — Commission

Annex I — Statement of revenue and expenditure relating to research and investment activities  
— Part one (pages III/I/52 and 53 and III/I/88 and 89)

**(A) Expenditure**

Title 3 — Joint programme — Headquarters and indirect action

Chapter 320 — Fusion and plasma physics

Article 3201 — Fusion and plasma physics (JET project)

Enter the following appropriations :

	Payment appropriations	Commitment appropriations
Cat. 50 — Contracts	20 551 000 u.a.	17 527 000 u.a.

**(B) Revenue**

Unchanged

**(C) Compensation**

Title 9 — Provisional appropriations

Chapter 922 — Provisional appropriations for the project 'Fusion and plasma physics — JET project'

Reduce payment appropriations by 20 551 000 u.a. and commitment appropriations by 17 527 000 u.a.

**(D) Remarks**

Delete the remarks against Chapter 9.22 on page III/I/89.

Replace the present text against Article 3.20.1, on page III/I/53, by the following: 'The appropriations cover the Community's participation in the financing of the JET project in accordance with the implementing rules adopted by the Council on 17 October 1977. This project concerns the construction and operation within the framework of an association consisting of all the research establishments in the Member States specializing in this sector of the Joint European Torus (JET), a vital step towards the construction of a fusion reactor.'

**(E) Timetable**

1. Complete and replace the token entry in the table at the bottom of page III/I/52 — Article 3.20.1 — as follows :

Total programme allocation :	109 300 000 u.a.	(programme approved on ... published in OJ ...)
Tranches previously opened :	—	
Total tranches opened :	103 300 000 u.a.	

(in EUA)

	1976	1977 <sup>1</sup>	1978	1979	1980
Foreseeable commitments	—	85 907 000	8 029 200	7 231 000	8 132 000

<sup>1</sup> Including commitment appropriations outstanding from 1976.

2. Replace the token entry in the table at the bottom of page III/I/53 — 'Remarks' against Article 3.20.1 — as follows :

(in EUA)

	1976 <sup>1</sup>	1977	1978	1979	1980
Foreseeable payments	2 200 000	20 551 000	15 000 000	25 900 000	45 649 000

<sup>1</sup> Including payment appropriations carried forward to the following financial year.

## JUSTIFICATION

Draft Amending Budget No 2 was drawn up at the beginning of October 1977. Since it was forwarded to Parliament, the Council has at last taken a decision on the site of the Joint European Torus (JET); hence the need to amend the amending budget in order to enter the funds required for this project.

As the delay incurred is entirely the fault of the Council and as the need for this draft amendment arises solely from the Council's late decision, the latter is called upon to approve it without initiating a second stage in the budgetary procedure, since this would defeat the purpose of the budget by making it impossible to commit the pay expenditure by 15 December, the deadline laid down in the Financial Regulation.

This draft amendment is the logical consequence of the first amendment (PE 51.266) and introduces the necessary adjustments to Annex I of the 1977 budget, which gives the breakdown of expenditure relating to research and investment activities.

I put draft Amendment No 1 to the vote.

Draft Amendment No 1 has received 57 votes in favour, with no votes against and no abstentions.

All those taking part in the vote have voted in favour of this draft amendment, but because of the voting conditions laid down by the Treaties, the draft budget has not been amended within the meaning of these Treaties, since the majority required has not been reached.

Since draft Amendment No 1 has not been adopted, draft Amendment No 2 falls.

I have no other draft amendments or proposed modifications to draft Amending Budget No 2.

In this connection, I remind the House of the provisions of the third subparagraph of Articles 203 (4) of the EEC Treaty, 177 (4) of the Euratom Treaty and 78 (4) of the ECSC Treaty. I also remind the House that, pursuant to paragraph 7 of these same articles, it is incumbent on the President of Parliament, when the procedure provided for in these articles has been completed, to declare that the budget has been finally adopted.

I call Lord Bruce.

**Lord Bruce of Donington.** — Mr President, in consequence of Parliament's inexplicable failure to

sustain its own rights by supporting the unanimous decision of its own Budget Committee, it now becomes necessary to amend paragraphs 8, 9, 10 and 11 of the report that I had the honour to submit on behalf of the Committee on Budgets, document 387/77 and in order to expedite matters, I suggest that the amendments be left to the sessional staff.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, according to the interpreting you announced that Parliament had rejected these amendments. I would point out that in fact Parliament adopted these amendments unanimously but did not have the necessary quorum. I think this should be made clear to the Council, Mr President, because the Committee on Budgets, the other committees involved and all the groups were unanimous in their support for these two amendments. The absence of a quorum, Mr President, is due to the fact that — as you know — roll-call votes are being held in various national parliaments and various party congresses are also taking place.

I have no desire to bend the rules, Mr President. We do not have a quorum and we cannot, therefore, use our final say to amend the Council's recommendations. That is true. I would like to say to the Council however, in no uncertain terms that the Council is



**Aigner**

also obliged to interpret the provisions of Article 203 in this way. Thus, strictly speaking, it is not true to say that Parliament has not acted; Parliament has indeed acted, so the budget — and the supplementary budget too, since that must be treated in exactly the same way as the budget proper — cannot be deemed automatically adopted at the expiry of the time-limit.

I make this point, Mr President, because the Council must be compelled to take our amendments into account. The fault lies with the Council, because it has submitted this supplementary budget to us belatedly. Otherwise, if the Council had taken its decision in good time, we could have arranged our vote in such a way as to be sure we should have a quorum. So I repeat that, although the Council cannot be compelled to deliberate again, it cannot simply go on to the next item on the agenda and declare that the budget is adopted on the ground that Parliament has not acted. I think the implications of this legal interpretation should be accepted by the Council too.

**President.** — Mr Aigner, I would point out that the rule laying down a special majority is obligatory. This amendment has received 57 votes in favour, with no votes against and no abstentions. The Parliament has therefore declared its view unambiguously; but the requisite majority has not been reached, with the result that the amendment must be considered rejected.

I call Mr Lücker.

**Mr Lücker.** — (D) Mr President, if I may I should like to comment on the remarks made by Mr Aigner. You have just announced that the amendment was rejected. I think it would be more correct to say that it was not approved. Of course, in practical terms that amounts to the same thing, but there is a subtle difference.

I would also ask you, Mr President, to confirm to the House your willingness — since you have to return the budget to the Council — to inform the Council in a letter of the points made by Mr Aigner by way of moral justification for the vote taken by the House. I think it would be wrong simply to drop this matter. There must be a written record of it, since this would make it possible for the talks to be continued by mutual agreement between the parties concerned.

**President.** — Mr Lücker, I repeat what I said to Mr Aigner: the requisite majority has not been reached.

I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, heaven knows I have no desire to prolong this debate unnecessarily, but the point is that — and I am glad to have received some support — we are not finally adopting the budget now, we are returning it to the Council together with a letter. The Council can then approve the budget by the deadline by accepting it in the form

suggested by our amendments. Hence my request to the President that he should set out the legal position in a letter to the Council and not finally adopt the budget now.

This is an extremely important decision, Mr President, for all future supplementary budgets. We have warned the Council on umpteen occasions to proceed more cautiously with its supplementary budget policy and we have also warned it just as often against forcing Parliament's hand. The responsibility now lies with the Council, I think, not with Parliament.

**President.** — Mr Aigner, we are faced with texts which are quite unambiguous. It is no longer for the Council to adopt the budget but for the President of this Parliament, who, personally, is bound, in particular, by the third subparagraph of Article 12 (4) of the Treaty of 10 July 1975. If the Assembly has not amended the draft budget within the period laid down nor proposed any modifications thereto, the budget shall be deemed to be finally adopted.

I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, I understand the legal position, and as a lawyer I would point out that time has not yet run out. Consequently, until it does we can withhold adoption of the budget.

**President.** — Once more I call the House's attention to Article 12, which says that when the procedure provided for has been completed, the President of the Assembly shall declare that the budget has been finally adopted.

**Mr Aigner.** — (D) Mr President, just one comment, if I may. It is up to Parliament to decide whether the procedure has been completed or not and if Parliament decides that it has not been completed, then it has not been completed.

**President.** — Thank you, Mr Aigner, for that observation, which in fact appears to me to be well founded.

I call Lord Bruce.

**Lord Bruce of Donington, rapporteur.** — Mr President, may I respectfully point out that Parliament has not yet adopted the budget, and if Parliament takes no further action today at all, the budget is not adopted. May I sustain the arguments of colleague Aigner and colleague Lücker in this respect, that there is nothing to prevent the President of Parliament from sending a communication to the Council on this subject. As the position now stands, both Commission and Parliament are agreed that the budget should accurately reflect the intentions of both Commission and Parliament. Owing to the delays which have largely been imposed by the action of the Council itself, if Parliament did adopt this budget today, it would be adopting a supplementary budget No 2 which everybody, the Council, Parliament and the Commis-

### Lord Bruce of Donington

sion, know to be inaccurate. This is what would happen. May I respectfully suggest, Mr President, that a communication be sent by you pointing this out to the Council, and expressing the hope that, at the concertation procedures on 22 November next, the Council will take every step to correct what is indeed a ridiculous position.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, to lengthen the debate somewhat I should like to make one comment here. There are very often nuances that decide how a matter is handled. I shall not argue the point with you, Mr President, but would it not be possible in a similar situation in the future to note that we do not have a quorum and say that we cannot take a valid vote but that we can take a vote for guidance purposes? Once the Council was informed of the vote and of the fact that it was unanimous, I believe that it would nevertheless be of value. That is an important difference.

**President.** — In reply, first of all, to Lord Bruce, I would say that he shares the standpoint of Mr Aigner and Mr Lücker. In a letter to the President of the Council following the lines already indicated, one might indeed emphasize the importance which we attach to the consultation of 22 November.

With regard to Mr Nyborg's remarks, I must unfortunately remind him that the Committee on the Rules of Procedure and Petitions, as well as the House itself, has decided against guidance votes, as was pointed out this morning.

We must therefore proceed to the consideration of Lord Bruce's motion for a resolution, subject to the omission of paragraphs 8 to 10, which have fallen, and a modification of paragraph 11.

I call Mr Aigner.

**Mr Aigner.** — (D) I think some clarification is necessary now. If you proceed in the manner you have just announced, that is, writing to the President to tell him that the budget has not yet been adopted and that you are awaiting a pronouncement by the Council, this will obviously not get us any further. If the Council takes a hard line, it can ensure that the budgetary procedure is completed by waiting for the time-limit to expire. If it does that, however, it must take full responsibility for it before public opinion. If we now adopt the motion for a resolution in its amended form we shall be weakening Parliament's position even further; we must therefore adopt the motion in its original form to ensure that the President has a certain amount of margin for manoeuvre in his dealings with the Council. I should be grateful, therefore, Mr President, if you would put the original motion for a resolution to the vote.

**President.** — Mr Aigner, like Lord Bruce, who made the point just now, I do not believe this to be possible. On the contrary, I think we must refashion the

motion in such a way as to enable the Parliament, by virtue of the provisions of the Treaty itself, to retain the last word on the matter.

**Mr Aigner.** — (D) Mr President, I think I may have misunderstood. Perhaps Lord Bruce could read out his amendment again; Lord Bruce, would you mind reading out paragraph 11 again, please?

**Lord Bruce of Donington.** — Mr President, as paragraph 11 of the motion now stands, it says;

Approves, subject to Council's agreement, draft amending budget No 2 for the financial year 1977 with the following amendments; considers that, as a result of this agreement, this budget should be deemed to be finally adopted, etc ...

It seems to me that we might accomplish the exercise by a simple amendment to paragraph 8 in addition to the one that will obviously follow consequentially in paragraph 11 as a result of rejecting the amendments. What we might do — and I speak subject to Mr Aigner's expert guidance on this matter — is eliminate from paragraph 8 the words 'by means of a amendment transferring appropriations from the provisional lines'. This would, of course, follow on sequentially from the failure to carry the amendments by the required majority, but it would, at the same time, leave in the following words, which are quite decisive: 'Decides to break down appropriations for the Joint European Torus in the operational lines, of the budget.' As long as those lines remain in, the negotiating stand of Parliament at the consultation proceedings on the 22nd remains intact. That is the course that I would commend to my colleagues. The only alternative to that would be a mass abstention by Parliament in approving the budget. But I think, in all the circumstances, the first course I have suggested would possibly be the most practicable. I would defer to the view of my learned vice-chairman on this matter.

**President.** — I call Mr Yeats.

**Mr Yeats.** — Mr President, it seems to me that we are getting into a very complex territory, and I am not sure at all that any of us would really know quite what we were passing. Might I suggest — if the rapporteur were willing — that the rapporteur — and he would be entitled to do this — ask for this motion to be referred to the committee, which could then meet this afternoon and come back with a resolution tonight which would probably meet all needs? I think this would be more satisfactory than passing a rather, complicated verbal amendment now which would really confuse the situation.

**President.** — Your proposal is a sensible one, Mr Yeats, I think there is no opposition to referring this motion to the Committee on Budget.

But I have just heard that Mr Aigner is already in a position to enlighten us on the views of this committee.

I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, thank you for allowing me to speak again. There is no need for the matter to be referred to the Committee on Budgets, as the political groups and the rapporteur have already reached agreement on a new wording, which we would now propose to you in order to save time. If this wording is adopted, Mr President, we shall have solved the problem of form whilst safeguarding for ourselves complete freedom of movement *vis-à-vis* the Council during the conciliation procedure.

I shall therefore read out this amendment slowly and I ask Members to listen carefully. It will, I hope, be understood that this amendment is not yet available in all the languages. Paragraphs 8 to 11 of the motion for a resolution drawn up by Lord Bruce on behalf of the Committee on Budgets should be deleted and replaced by the following text :

Paragraph 8

Requests its President, during the conciliation procedure on the budget on 22 November, to inform the Council that the European Parliament is in favour of the breakdown of appropriations for the JET project.

This means that we have not adopted the budget but have authorized the President to draw the necessary conclusions during the conciliation procedure ; we are thus within the time-limit.

Mr President, if the House adopts this amendment all our difficulties will have been solved and Parliament's legal position will also be safeguarded.

**President.** — I thank the Committee on Budgets for its assiduousness. Moreover, the House appears to be unanimous in being prepared to consider this oral amendment. I shall therefore put to the vote the motion for a resolution as modified by Mr Aigner.

I put the preamble and paragraphs 1 to 7 to the vote.

The preamble and paragraphs 1 to 7 are adopted.

The text replacing paragraphs 8 to 11 reads as follow :

Requests its President, during the conciliation procedure on the budget on 22 November, to inform the Council that the European Parliament is in favour of the breakdown of appropriations for the JET project.

I put to the vote the new text replacing paragraphs 8 to 11.

This new text is adopted.

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

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

### 13. Economic situation in the Community (vote)

**President.** — The next item is the vote on those motions for resolutions on which the debate has closed, we begin with the motion for a resolution contained in the report by Lord Ardwick (Doc. 377/77).

I put the preamble and paragraphs 1 to 4 to the vote.

The preamble and paragraphs 1 to 4 are adopted.

After paragraph 4, I have Amendment No 3, tabled by Mr Durieux on behalf of the Liberal and Democratic Group and adding the following new paragraph :

- 4a. Points out that the measures taken so far by the Community to promote employment have mainly taken the form of public aids and subsidies which have not proved very effective ;

What is the rapporteur's view ?

**Lord Ardwick, rapporteur.** — First of all, Mr President, this points out that measures taken so far by the Community to promote employment have mainly taken the form of public subsidies and aids which have not proved to be very effective. I think that this disregards entirely the macro-economic effect of the guidelines which the Commission provided for the Council and the fact that these were of considerable importance — they are the basis of the medium-term plans. I also think that this not only disregards the macro-economic effect of the Commission's work but it is very doubtful whether it is true. There is no evidence that the aids and the subsidies have not proved very effective in relation to their size and in relation to their particular purpose. If they have not proved effective, it is simply because they were not big enough. I do not think I could recommend that this amendment should be accepted.

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

Amendment No 3 is adopted.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

After paragraph 5, I have Amendment No 4, tabled by Mr Durieux on behalf of the Liberal and Democratic Group and adding the following new paragraph :

- 5a. Welcomes the news that the Commission has presented proposals for the next European Council designed to give new impetus to Economic and Monetary Union by striving together to combat inflation and unemployment, achieving currency stability and reducing economic disparities between the different regions ;

What is the rapporteur's view ?

**Lord Ardwick, rapporteur.** — Again, this is an ideological paragraph, but it is either an obvious statement or it is meaningless. I have no particular feelings about this paragraph, simply saying, as far as I can see, that what is proposed — because it is sensible — will help to achieve currency stability and, therefore, is a step on the road to economic monetary union. Anything sensible is. I do not think it particularly adds to the resolution, which is meant to be a sort of down-to-earth resolution I would not particularly oppose it, but neither would I particularly urge anybody to vote for it.

<sup>1</sup> OJ C 299 of 12. 12. 1977.

**President.** — I put Amendment No 4 to the vote. Amendment No 4 is adopted.

On paragraph 6, I have

— Amendment No 2/corr., tabled by Lord Bruce of Donington on behalf of the Socialist Group and rewording this paragraph as follows:

6. Supports the Commission's proposal for a new Community financing instrument for improving structures;

— Amendment No 5, tabled by Mr Damseaux on behalf of the Liberal and Democratic Group and replacing the words: 'Takes note of' with: 'Approves'.

What is the rapporteur's view?

**Lord Ardwick, rapporteur.** — Here is one of these frequent cases where the rapporteur's private views are not in accord with his public duties. We had 'approved' in the original motion, but the Committee then felt that it was wrong to express approval of this proposal until a full explanation had been given by the Commission. Therefore, I am regretfully unable to support either of these amendments.

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

Amendment No 5 therefore falls.

I call Mr Damseaux.

**Mr Damseaux.** — (F) Mr President, Amendment No 5 is not groundless, because Lord Bruce's amendment, for which I have voted, does not go as far as mine; he says, 'supports' while mine says 'approves'. This is stronger. In this connection I should like to point out that the German translation has not been corrected and that the correct translation of the term in my amendment should be 'unterstützt', and in Lord Bruce's 'billigt'. Lord Bruce's amendment does not go as far as mine.

**President.** — I think there is a problem concerning the French translation, Lord Bruce's text saying 'appuie', and yours 'approuve'. I do not think you can maintain that the adoption of the first does not render your own groundless, Mr Damseaux.

**Mr Damseaux.** — (F) I think you ought to take some French lessons, Mr President.

**President.** — I put paragraphs 7 and 8 to the vote. Paragraphs 7 and 8 are adopted.

After paragraph 8, I have Amendment No 6, tabled by Mr Durieux on behalf of the Liberal and Democratic Group and adding the following new paragraph:

8a. Calls for the urgent implementation of a coordinated programme granting access to the capital market for small and medium-sized undertakings in the Community and in particular for the craft industries, which have a vital rôle to play in reducing unemploy-

ment but are facing increasing problems of self-finance;

What is the rapporteur's view?

**Lord Ardwick, rapporteur.** — Mr President, I think that, first of all, it is slightly inaccurate, to say, 'Calls for the urgent implementation of a coordinated programme granting access to the capital market for small and medium-sized undertakings. I am all in favour of that, but of course, this supposes that there is no access already. Now the point really is covered, and covered quite well, in the sub-paragraph of paragraph 10 which says, 'The provision of tax facilities and easier access to capital for small and medium-sized firms.' I think that 'easier access to capital' covers the whole point. The amendment is really not necessary.

**President.** — I put Amendment No 6 to the vote. Amendment No 6 is rejected.

On paragraph 9, I have

— Amendment No 1, tabled by Mrs Dahlerup and adding, after the words: 'and especially for young people', the words: 'and women';

— Amendment No 7, tabled by Mr Glinne and adding, after the words: 'public investment', the following words: 'including investment in industry';

What is the rapporteur's view?

**Lord Ardwick, rapporteur.** — On the one by Mrs Dahlerup dealing with women, I think that my committee would be in general sympathy with this. I am a little troubled about the logic of its following 'especially for young people', because 'young people' of course comprises young men and young women, and to add 'and women' afterwards is a little curious. I find no simple way out of it, though I think it would be slightly better if we were to say: 'the effectiveness of job-creation measures, especially for women and for young people'. I think that this is in accord with the spirit of the proposed amendment, and meets the case even better than the original one.

**President.** — I consult the House on the acceptability of the oral amendment which the rapporteur has just proposed to his amendment. There is no change of meaning: it is a matter of replacing 'and especially for young people and women' by 'and especially for women and for young people'.

Are there any objections?

I put Amendment No 1, thus modified, to the vote.

Amendment No 1, thus modified, is adopted.

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

Paragraph 9, thus amended, is adopted.

**Lord Ardwick, rapporteur.** — Mr Glinne, I think, wanted to say something on this. I understand there is a feeling that the amendment as it is does not fit too

**Lord Ardwick**

logically into this and would go better into a latter paragraph, No 10, and I think that this might receive widespread approval.

**President.** — What is Mr Glinne's view?

**Mr Glinne.** — (F) I also think that it would fit better into paragraph 10.

**President.** — On paragraph 10, I therefore have Amendment No 7, by Mr Glinne, which has already been called.

I put Amendment No 7 to the vote.

Amendment No 7 is adopted.

I put paragraph 10, thus amended, to the vote.

Paragraph 10, thus amended, is adopted.

I put paragraphs 11 and 12 to the vote.

Paragraphs 11 and 12 are adopted.

I call Mr Klepsch to give an explanation of vote on behalf of the Christian-Democratic Group.

**Mr Klepsch.** — (D) Mr President, I should like to say on behalf of my group that we fully support this motion. At the same time, however, I must voice the astonishment of my group at an incident which, in view of the good relationship which exists between the Commission and Parliament, is incomprehensible.

Yesterday the Commission, as we have heard, announced totally new proposals on Economic and Monetary Union at the press conference held, as usual, after its meeting. At the same time, a debate was being held in this House on the economic situation. During this debate Mr Ortoli rose to speak on several occasions. He thus had an opportunity of allowing Parliament to be the first to know of the new plans, or at least to be informed at the time as everyone else. My group wishes to protest in the strongest terms against Parliaments being passed over in this way. We regard this as an act of disregard for Parliament and are considering taking further action.

We think that Mr Ortoli and the Commission owe us an explanation for this behaviour, which we can only describe as incredible.

(Applause)

**President.** — I call Mr Glinne to give an explanation of vote on behalf of the Socialist Group.

**Mr Glinne.** — (F) This is exactly what I wanted to say, Mr President. I would remind the House that during yesterday's debate Lord Bruce of Donington questioned Mr Ortoli on this point.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, I agree with the sentiments expressed by the two Members on behalf of their groups, and I am sure, on behalf of all Members of the House. I say this particu-

larly in view of my personal responsibility for overseeing relations between the Commission and Parliament. I feel that the Commission and Parliament. I feel that this would have been a very good opportunity of carrying into effect Mr Jenkins' undertaking, given on behalf of the Commission earlier in the year, that every effort would be made to treat, this Parliament as if it were directly elected. I undertake to convey the sentiments expressed by Members of the House to those in whose competence it was to act in a manner which would have given satisfaction to the House. I do not think it would be proper for me, at this stage, without access to further details, to go any further than to express, particularly in respect of my responsibility as Member charged with relations between the two Institutions, my profound regret that this has happened, and to undertake to Parliament that I will personally investigate at the earliest possible moment.

(Applause)

**President.** — I thank Mr Burke for his expression of regret and, on behalf of this Parliament, take note of his statement that he will convey to the Commission our very pronounced reaction to this attitude on the Commission's part.

I call Mr Broeks on a point of order.

**Mr Broeks.** — (NL) Mr President, I am particularly glad to have heard Mr Burke's reply, but I should like to know what reaction he had when he brought the matter before the Commission and whether the Commission will resolve that in future this will not happen again. I would therefore like to know, when Mr Burke speaks again, what the Commission has decided.

**President.** — I call Mr Schwörer for an explanation of vote.

**Mr Schwörer.** — (D) Mr President, yesterday I announced on behalf of my group that we were opposed to Amendment No 2 by Lord Bruce on this new financing instrument for structural policy. Today, however, we have voted in favour of it. The reason for our decision is that Mr Ortoli declared yesterday that this new financing instrument did not mean some new institution but simply that extra funds should be mobilized for structural policy.

We are trusting to the fact that more bureaucracy is not being created here, accompanied by new regulations making procedures even more cumbersome, but that we are merely mobilizing more funds for structural improvements in Europe. This is something everybody wants, and that is why, despite the announcement we made yesterday, we voted in favour of this amendment, in which the Commission's new financing instrument is approved.

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

**President**

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

I put to the vote the motion for a resolution contained in the report by Mr Santer (Doc. 345/77).

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

14. *Sixth Report on competition policy* (vote)

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Cousté (Doc. 347/77).

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

15. *Directive on goods exported for repair* (vote)

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Emile Muller (Doc. 343/77).

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

16. *Research* (vote)

**President.** — We proceed to the motions for resolutions on research policy, beginning with the motion for a resolution contained in the report by Mr Holst (Doc. 361/77).

I put the preamble and paragraphs 1 to 14 to the vote. The preamble and paragraphs 1 to 14 are adopted.

On paragraph 15, I have Amendment No 1, tabled by Mr Noè, and rewording this paragraph as follows:

15. Expresses satisfaction with the proposal that has been forward for a research programme on forecasting and assessment, this being an essential preliminary to the creation of an on-going common policy attended by minimum wastage of resources and to being able to shape the future through medium and long-term forecasting;

What is the rapporteur's view?

**Mr Holst, rapporteur.** — (DK) Mr President, I agree with some of the views put forward in Mr Noè's proposed amendment, i.e., that we put 'medium' in the last line as well as 'long-term', but there is one thing that I am not sure whether Mr Noè has thought of or whether he really intends to propose it. That is the word 'prognose', which distorts the meaning of the Danish text I have here. We cannot shape a future policy on a 'prognose' but we can base our planning on it. I cannot therefore agree to the word 'prognose', but if it is replaced by 'planlægning' I can agree to the whole amendment.

**President.** — Would the rapporteur say whether or not he agrees with the wording of Mr Noè's amendment? I understand it may be a matter of shades of meaning, but the House would like to have a precise opinion.

<sup>1</sup> OJ C 299 of 12.12.77.

**Mr Holst, rapporteur.** — (DK) Mr President, it is the nuance that makes it difficult for me to give an unequivocal yes or no. As I said, in Danish — and I wonder if that was Mr Noè's intention — the sense is wrong if we use the word 'prognose'. It is impossible to shape the future on 'prognose', but it is possible to use them as a basis for planning. I can accept the proposal if the word 'prognose' is replaced by 'planlægning', but if it is not then I cannot.

**President.** — Mr Noè, could you enlighten us on this point?

**Mr Noè.** — (I) I can agree to the expression 'planning' in order to retain the phrase 'medium and long-term'.

**President.** — I call Mr Holst.

**Mr Holst, rapporteur.** — (DK) Mr President, in that case I can accept it.

**President.** — In that case I put to the vote Amendment No 1 thus modified, the term 'forecasting' being replaced by 'planning'.

Amendment No 1, thus modified, is adopted.

I put paragraphs 16 and 17 to the vote.

Paragraphs 16 and 17 are adopted.

I put to the vote the motion for a resolution as a whole, as modified by the vote just taken.

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

I put to the vote the motion for a resolution contained in the report by Mr Veronesi (Doc. 348/77).

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

We shall now consider the motion for a resolution contained in the report by Mr Edwards (Doc. 349/77).

I put the preamble and paragraphs 1 and 2 to the vote. The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3, I have Amendment No 1, tabled by Mr Jahn and Mr Willi Müller and adding the following to this paragraph:

...; also calls on the Commission to take appropriate measures as soon as possible in the field of dentistry and above all in that of periodontology;

I call Mr Holst.

**Mr Holst, deputy rapporteur.** — (DK) Mr President, as neither Mr Edwards nor Lady Fisher is able to be present, I should like to say, on Lady Disher's behalf, that this amendment can be accepted.

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

I put paragraph 3, thus amended, to the vote.

Paragraph 3, thus amended, is adopted.

<sup>1</sup> OJ C 299 of 12.12.77.

**President**

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put to the vote the motion for a resolution as a whole, as modified by the various amendments adopted.

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

17. *Regulations on energy-saving (vote)*

**President.** — The next item is the vote on the motion for a resolution contained in the report by Mr Brown (Doc. 362/77).

I put the preamble and paragraphs 1 to 10 to the vote. The preamble and paragraphs 1 to 10 are adopted.

After paragraph 10, I have Amendment No 1, tabled by Mr Noè and adding a new paragraph :

- 10a. Emphasizes that among the various energy-saving measures the adoption of a combined system of heat and energy production should be especially encouraged in all cases where this is technically possible, by means in particular of demonstration projects ;

I call Mr Holst.

**Mr Holst, deputy rapporteur.** — (DK) Mr President, I have the honour to be deputizing for Mr Brown in this instance. Mr Brown could accept this proposed amendment except for the fact that, presumably owing to an error in translation, the words 'energy production' are used in English where it would be preferable to say, 'power production'. In Danish, too, we would prefer the expression 'varme og kraftproduktion'. This is not an expression that can normally be used in the sense intended in the proposed amendment. So, if 'energy' is replaced by 'power' in the English text — and it is Mr Brown who attaches importance to this — and 'energi' by 'kraft' in the Danish text, I could accept the proposed amendment.

**President.** — The English and Danish texts will be corrected.

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraphs 11 and 12 to the vote.

Paragraphs 11 and 12 are adopted.

I put to the vote the motion for a resolution as a whole, as modified by the vote just taken.

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

18. *Decision on large urban concentrations (vote)*

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Evans (Doc. 351/77).

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

19. *Regulation and decision on the financing of food aid (debate)*

**President.** — The next item is the report (Doc. 382/77) by Mr Aigner, on behalf of the Committee on Budgets, on

the proposals from the Commission to the Council for

- I. a regulation amending Regulations (EEC) Nos 2052/69, 1703/72 and 2681/74 on the Community financing of expenditure resulting from the supply of agricultural products as food aid ; and
- II. a decision amending the Decision of 3 August 1972 (72/335/EEC) on the Community financing of certain expenditure arising from the implementation of the Food Aid Convention of 1971.

**Mr Aigner, rapporteur.** — (D) Mr President, ladies and gentlemen, I would request you to consult the report I have drawn up on this matter on behalf of the Committee on Budgets. There are, however, a few additional comments I should like to make.

Firstly, I should like to say something about the amount of food aid which the Community is granting or has granted. Two figures should suffice in this connection. In the 1977 budget, 379 900 000 u.a. were set aside for food aid. In its preliminary draft budget for 1978, the Commission increased this amount to 475 million EUA. However, according to the amending letter I have before me, the Council then reduced this amount to 147 660 000 EUA. The European Parliament then raised this figure again by 16 590 000 EUA, and this now represents the total amount involved. To these amounts must be added the cost of refunds in respect of Community food-aid action, which, according to the amending letter, come to 47 600 000 for cereals, 5 600 000 for rice, 91 300 000 for milk products and 1 100 000 EUA for sugar. The cost of refunds, which was entered in Title 6 in the amending letter, has, with one exception — namely, the cost of refunds in respect of rice — been transferred to Title 9 in accordance with the amendments adopted by Parliament. So the overall financial volume of food aid is approximately 300 million EUA.

This brings us to the problem of the two proposals for regulations under discussion here. Community food aid must now, in accordance with the will of Parliament as a whole, be entered exclusively in Title 9 of the budget, to ensure that it is kept strictly apart from the Guarantee Section of the EAGGF. This arrangement is intended to achieve two aims : firstly, greater budgetary transparency, by putting an end to the previous practice of duplicating this entry in Titles 6 and 9, and, secondly, a presentation of the budget which

<sup>1</sup> OJ C 299 of 12.12.77.

**Aigner**

removes any suspicion that Community food aid is being used to dispose of Common Agricultural Policy surpluses. According to these two proposals for regulations therefore, all expenditure on food aid plus expenditure in respect of refunds must be entered in Title 9.

Mr President, I have no desire to conceal the drawbacks of these proposals, especially as the Committee on Development and Cooperation, which was asked for its opinion and of which I am myself a member, emphasized that entry in Title 9 would entail a presentation of food aid which would no longer correspond to OECD scales, which are based on world market prices. Your rapporteur and the Committee on Budgets therefore propose that Parliament should include this information in the remarks accompanying the relevant title in order to remove this objection.

These two regulations necessarily imply not only a new way of entering these appropriations but also a change in the layout of the budget. It has, however, long been the unforfeitable aim of the European Parliament to ensure that the layout and presentation of the budget can be amended only under the budgetary procedure. In the conciliation which took place on 7 November — and this is an important point — the Council agreed to our delegation's request that in future the layout of the budget may be amended only under the budgetary procedure and not by regulation. In the present case, this means that the two regulations can do no more than ratify decisions taken during the budgetary procedure. Unfortunately, however, it seems as if the Council does not intend to approve unanimously the budgetization of refunds in respect of food aid in Title 9. What conclusions can be drawn from this? Either the Council refuses to uphold the undertaking it made to us during the conciliation procedure and wishes to amend the layout by regulation in accordance with previous practice, or it wishes to maintain the opaque, fragmented presentation of food aid in the budget. That means refunds in Title 6 and other expenditure in respect of food aid in Title 9, i.e., duplicated entry. For these reasons, it is of the utmost urgency that we approve these two regulations, and I should be very grateful if Parliament would do so.

With your permission, Mr President, I should like to make one or two critical observations about food aid. I shall of course, be presenting a report to Parliament on behalf of the committee responsible on Community food-aid policy in February, but there are one or two comments I should like to make here and now.

The predecessor of the now established Court of Auditors, the Audit Board, consistently criticized Community expenditure on food aid. According to the Audit Board, the management of these funds was characterized, firstly, by completely unforeseen, unplanned transfers of appropriations from Chapter 92 to the Guarantee Section; secondly, by the slow implementa-

tion of the aid programmes launched; thirdly, by price disparities between comparable measures; and fourthly — and this is an important criticism — by differences between the amounts paid for by the intervention agencies and the amounts actually supplied. The Audit Board suspected that this disparity might be due to the fact that only a limited number of big firms were entrusted with the implementation of these aid measures. We should therefore recommend that the Commission adopt a different more imaginative policy in order to ensure greater efficiency in the granting of food aid. I am sure we shall have a very full debate with the Commission on this subject when our report is presented.

To conclude, we want stricter control in this area, and I would be grateful if Mr Gundelach would help us in bringing about better and stricter control. I would add that Mr Bangemann, who observes developments in Community development-aid policy in the Control Subcommittee, has promised to pay particular attention to control in this area. In the meantime, however, the budgetary structure must be made more transparent in the manner I have described in order to lay the foundations for this control, and I would therefore be grateful if the House would approve this report and motion for a resolution by the Committee on Budgets.

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

**Lord Bruce of Donington.** — Mr President, as a member of the Committee on Budgets, I have a good deal of sympathy with the proposals that have been put forward by Mr Aigner. I do not think that the position of the Court of Auditors, or the Subcontrol Committee, is in any way affected as to whether these proposals are carried or not. One would expect that expenditure under the budget, on whatever head, would be liable to the same amount of thorough scrutiny, no matter what particular title it happened to be under. I have a good deal of sympathy with the case put forward by Mr Aigner, but I am troubled by the possibility, amounting to a probability, of distortion of the true position in so far as the public are concerned. Food aid out of structural surpluses, whilst benefiting the countries to whom that aid goes, is of direct benefit to the Community, because, it saves the ridiculous storage costs, year by year, of the items in surplus. One sometimes wonders whether food aid from surpluses is a reflection of the Commission's true sense of compassionate generosity, or whether it is a convenient way of getting rid of surpluses which have become open to public ridicule over the last two or three years.

It is quite clear that much sting can be taken out of public ridicule by pointing out that we are, after all, giving some of the surplus. From that stand-point, from the point of view of the Committee on Develop-



### Lord Bruce of Donington

ment and Cooperation, this should still remain under the title under which it now lies, mainly under Title VI. It is true enough that there is a cost involved in giving the aid away, the EAGGF refunds, but that cost is really properly borne as part of the Common Agricultural Policy. It arises from the ridiculous situation into which the Common Agricultural Policy has placed itself, and to have it put under a different head — under Title IX — might serve the marginal purpose of enabling the proportion of EAGGF expenditure of the total of the Community budget, being perhaps somewhat slightly reduced. This is the only effect I can see in it. Therefore, speaking on behalf of my group, I am bound to sustain the position of Council so far in this matter, which is a little unusual for me, since I am more often at odds with Council than with the Commission. I think that the honest presentation, as distinct from the technical budget transparency to which Mr Aigner refers, should allow the matter to rest substantially as it is, unless the Commission can make it abundantly clear, in the sense that I have already outlined, as to what the true position is.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, I think, on behalf of the Commission, I should reply to Mr Aigner, rapporteur, and to Lord Bruce before you take a decision on this matter.

I can be relatively brief because I think Mr Aigner, as usual, has put forward the matter with laudable clarity and in all honesty. There is, as he has explained, a great deal to be gained, from the point of view of transparency and from proper budget presentation, from presentation under Title IX both the food aid as such, and the distribution of certain foodstuffs linked with these commodities and these areas. That is the system which this Parliament and the Audit Board have previously asked for and is, therefore, I think, the appropriate way of going about it. I share the arguments put forward by Mr Aigner and am grateful to him for the support he has given. I agree that it is necessary that even after transferring these sums to Title IX, we should still specify the appropriations in the commentaries on the budget. We must spell out the value of food aid at world prices, which must be notified to the competent international bodies and, secondly, the value corresponding to export refunds.

But, while agreeing with Mr Aigner on this, I really am responding to the opening remarks made by Lord Bruce. He said that we do not want to fool the public. We do not want to give the public the impression that, by changing the presentation, we are putting on a cloak of respectability over a structural surplus decision. He knows my stand well enough to know that I do not want to put a cloak of respectability over something; I want to deal with it in a different manner.

I think, Lord Bruce, that, if we transfer it to heading 9, we should do it in such a way that we make the distinction I just referred to abundantly clear, both for the sake of presentation to our public and for the sake of fulfilling our obligations towards international bodies. Your legitimate concerns must be taken care of, together with the concerns of budgetary authorities inside our Community, including this Parliament.

I feel it is possible to carry out this transaction without losing the benefits of the separation, and without giving a false cloak of respectability to transactions. We want to see them in a full political light.

You refer to the Council having gone a different way, but it is not the whole Council, only certain members. There is a split in the Council because certain members were forced to take a different view. I do not think, therefore, that the present decision in Council should influence the judgement of Parliament. I think you must make an independent decision, and I think you are on the road to take the right one; it happens to be shared by the Commission, but should not distract you, because we have acted on your previous advice.

I must therefore strongly recommend that Parliament approve the proposals which have been put forward by Mr Aigner. In so doing, I think I have responded in a positive manner to the comments that have been made by Lord Bruce, to whom I will finally say — because there must be no misunderstanding on this, with regard to the committee responsible for agriculture — that I do not regard, food aid as an outlet for structural surpluses which, for internal political reasons, the Community is building up. We are giving food aid in order to assist developing countries, and we are giving — and should give — what they need, and not what we need to get rid of. Let that be absolutely clear as the Commission's policy. We give food aid for the benefit of developing countries, and not because we want to dispose of our surpluses. Those we have to deal with in a different manner.

If, occasionally, it should happen that developing countries need our surpluses for food aid, then let us not be too shy to give them. It is not the case in most instances. Surplus butter is not of great help in food aid — nor is sugar, which is produced to a large extent by developing countries themselves. But cereals and certain other milk products are, and we should not hesitate to give our surpluses for developing countries' needs. But we are *not giving* it because we want to get rid of it.

The two critical comments Mr Aigner referred to in the context of our food aid policy, we are aware of. We should be quite willing to discuss these further with Parliament when, at the beginning of the New Year, we come to have a more fundamental discussion of food aid as a whole. But I want to assure him that this is an area — like many others — where strength

**Gundelach**

and control are called for. I want to assure him that the Commission will give him the hand he asks for in bringing about stricter and more coherent control than we have had hitherto.

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

20. *Transfer of appropriations*

**President.** I have informed the Council that the Committee on Budgets has delivered a favourable opinion on the proposal for the transfer of 500 000 u.a. from Chapter 100 of Amending and Supplementary Budget No 1 for 1977 to create provisional appropriations for the Court of Auditors.

21. *Regulation on the carriage of goods by road (debate)*

**President.** — The next item is the report (Doc. 380/77) by Mr Giraud, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on

the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by roads between Member States.

I call Mr Albers.

**Mr Albers, deputy rapporteur.** — (NL) Mr President, to my regret I have to announce that my friend Mr Giraud has to be replaced as the rapporteur of the Committee on Regional Policy, Regional Planning and Transport on the proposal concerning the Community quota for the carriage of goods by road between Member States. This was the sixth time that Mr Giraud drew up a report on this subject, not to mention the many other reports he drew up on transport and regional policy. Unfortunately, at the beginning of this session, an alteration to the French delegation meant that he lost his seat in the European Parliament. While presenting his last report on his behalf, I should like to say that we shall miss a colleague who made a great contribution to the work of this Parliament work and whose expositions we always listened to with great interest and often with undivided approval. I should therefore like to take this opportunity to wish him well and give him our heartfelt thanks for what he did for the European cause with his wisdom and persuasiveness.

(Applause)

The present proposal is a repeat of a proposal to double the Community quota on the basis of a 1968 regulation under which a system of Community transport authorizations was introduced in order gradually to remove restrictions in road haulage pursuant to Article 75 of the Treaty. In view of the existence of the common market and the development of trade between the Member States, it is unacceptable that the

Member States should place restrictions in the carriage of goods between themselves. In reply to my written question how the Commission viewed the present system of journey licences for transfrontier road transport and whether it was true that the German and French quota arrangements were purely of a protectionistic nature and therefore clearly ran counter to the attempts to form a common transport policy, the Commission plainly stated that the present system of licences granted for a certain period of time under bilateral quota arrangements neither met trading requirements nor fulfilled the spirit of the EEC Treaty. Any form of quota arrangement implied the imposition of artificial restrictions and tended to produce an authoritarian distribution of traffic. The present arrangements were difficult to reconcile with the Treaty of the European Communities. Yesterday, my fellow countryman Mr Berkhouwer made some devastating remarks, during the debate on human rights, concerning the absence of a European passport and the divergent postal rates in the Community and he reached the conclusion that it was incomprehensible to the European citizens that matters should develop in this way.

On the subject of restrictions on road haulage between Member States, trade and industry have unfortunately had repeatedly to raise an accusing finger, because the provisions of the Treaty are not respected. There is not only Article 75 and the lack of a common transport policy; there is also Article 76, which states that, until a common policy exists, no Member State may make provisions governing the subject less favourable, in their direct or indirect effect, on carriers of other Member States than on carriers who are nationals of that state.

The question has increasingly to be asked whether the existence of time and journey licences did not long ago lose its legal justification and should not be completely replaced by a Community system or by a total liberalization of road haulage. I think it is very important that the Commissioner should answer this question, particularly in view of the fact that the Council of Ministers has already twice refused to accept the Commission's proposal and Parliament's favourable opinion of it.

Why is the Council not prepared to follow the Commission's quite reasonable proposal? What political motives lie at the bottom of maintaining a situation which is in conflict with the Treaty? Is it because one Member State is following a policy favouring the railways? This is the implication of a report in *'Die Deutsche Verkehrszeitung'* of 12 April 1977, which voices criticism of the Federal Government's restrictive quota policy. The German industrial and trade association (DIHT) has spoken out against this restrictive transport policy and rightly points out that a policy against roads is of no benefit to the railways.

**Albers**

It is also incomprehensible that such a decision should apparently still need a unanimous vote. The Commission rightly points out in its explanatory memorandum to the proposal that it is desirable to raise the Community quota from its embryonic form. The share of the total goods traffic coming under the Community quota is still only 3.18 %, whilst last year it was 4.5 %. Its share is thus falling rather than increasing; and now raising the number of licences from 2 363 to 4 726 does not mean such a big change to the transport economy that a unanimous decision is required for it in the spirit of the Treaty.

It is for these reasons that the Committee on Regional Policy, Regional Planning and Transport had no difficulty in accepting the resolution which Mr Giraud had drawn up expressing the idea that things cannot go on as they are.

Paragraph 2 of the resolution states: 'Cannot understand the attitude of the Council, which completely disregards its opinion in the matter'. The resolution was unanimously adopted by the Committee on Regional Policy, Regional Planning and Transport, and I assume that the objections which were raised two years ago against the suggested system are no longer valid. At that time Danish and British Members made the objection that this doubling of quotas would take place partly by distributing existing numbers and partly by distributing in accordance with the use made of the licences.

It was, perhaps, true two years ago that this system was disadvantageous to Denmark and Great Britain, who had only just joined; but we now see from the figures that in practice an improvement has been made — the Danish share has risen by 24.18 % and the United Kingdom's by 13.14 % — so that these objections are no longer so great or perhaps have disappeared entirely.

I speak in the spirit of Mr Giraud's report and in the spirit of the resolution drawn up by him with expectation that Parliament will adopt this report unanimously.

**President.** — Thank you, Mr Albers, for presenting Mr Giraud's report. I am sure you will find an opportunity of conveying to him our lively appreciation of his work, to which the Parliament has just given expression with its applause.

I call Mr Brugger to speak on behalf of the Christian-Democratic Group.

**Mr Brugger.** — (D) Mr President, ladies and gentlemen, on behalf of the Christian-Democratic Group I endorse the comments made by the rapporteur and would also like to take the opportunity to express our regret that Mr Giraud was not able to present his report himself, as we all appreciated the

work he did for this Parliament. We hope he will return to this Parliament one day.

Turning to the report under discussion, when we consider the manner in which the Council has fixed the Community quotas we are forced to admit that progress is being made towards European union extremely slowly, even in instances in which quicker progress could be made.

The Treaty provides for the unimpeachable freedom of movement of goods, persons and services. If we want to achieve this treaty objective we must have the relevant instruments; these instruments are means of transport and freedom for them to cross frontiers without hindrance when carrying goods in Community countries and beyond the frontiers of Community countries. We therefore fully support the Commission and share the opinion of the rapporteur that the Community quota must be extended. It is extremely difficult to understand why the Council has been holding up the proposal to increase these quotas and remove these bilateral authorizations for cross-border road transport in this way.

I strongly believe that the Commission — and we in Parliament fully support the Commission in this — should make efforts to ensure that this proposed doubling of quotas — and this is still only a very moderate amount — is now put into effect by the Council. We cannot understand why in 1975 the Council practically allowed the Commission's proposal to expire after Parliament — I believe — had delivered a unanimously positive opinion. But we must try to make further progress towards this aim of increasing — for the time being doubling — and subsequently again increasing the Community quota in order to eliminate bilateral authorizations and finally to replace them completely by Community authorizations. Only when transport can move freely around the Community and when it is controlled by the Commission will it be possible to exert a more flexible influence on these transport services, by being able to place restrictions on the granting of authorizations in times of crisis and, where appropriate, by being more generous in granting these authorizations at Community level.

We believe that in order to realize the freedom of movement of goods, persons and services, it is absolutely essential that the carriage of goods be brought under the control of the Community, and we would ask the Commission to take all possible steps to ensure that the Council says yes to at least this modest proposal that the Community quotas should be doubled; even then, the proportion under Community control would still be only 10 % at the very most.

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

**Mr Nyborg.** — (DK) Mr President, I should like to thank Mr Albers for his excellent presentation of Mr Giraud's report. After four years of cooperation in the Committee on Regional Policy, Regional Planning and Transport, I shall miss Mr Giraud. He was supremely capable and always very knowledgeable about matters he had to deal with, as can be seen from the report before us today.

As Mr Albers said, we often discuss technical barriers to trade: we try hard to remove them, and it is therefore alarming to see that we are creating precisely those trade barriers by issuing so few Community transport authorizations to haulage contractors in our Member States. We fully realize that there are some things that apply to one or two of our Member States only: we want to protect existing railways and therefore we restrict the carriage of goods by road; but that is not consonant with either the spirit or ideal of the Community, which is that we should cooperate as much as possible, and there is therefore no sense in trying to take unilateral measures to protect certain national interests. In recent years our committee has met five or six different ministers of transport, and when we talked with them separately they all wanted to accomplish something. They all said that something had to be done now, that progress had to be made in transport policy, that we should have more transport authorizations, and so on and so forth. But the fine ideas never become any more than ideas. When the ministers of transport get together, they obviously cannot agree, since far too little is ever done in the transport field. Two years ago, the Commission put forward a proposal for doubling the quota of Community transport authorizations. It has been deferred for two years now under various pretexts, but there is no point in continuing to equivocate, because we have seen through the pretext. Now something must be done. It has been said time after time that of course we are willing to help to liberalize fully the transport industry, but we must do so gradually. Quite so, but a long time has been passed and nothing has been done about transport authorizations. It is, after all, a very small thing, a very small step towards total liberalization of the transport industry, and I hope that the Council will not put out another spanner in the works. When the Commission puts forward a reasonable proposal that is adopted time after time by Parliament, the Council must sooner or later listen to what is being said.

We in the Group of European Progressive Democrats agree with the proposal to simplify transport operations effected with Community authorizations. It is a pleasure to see that once in a while an attempt is made to limit paper-work and to make it easier for the people who have to earn their living in the Community. Mr President, we fully support the report before us and hope that the Council will finally waken up and do something positive about it.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, this debate has been a source of comfort to me in the realization that all those who have spoken so eloquently and so well, have put very strongly the case that there should be some movement forward on this aspect of our Community policy. I want to assure Members that I am deeply appreciative of this help, and will bring it to the attention of the Council of Ministers when we come to discuss these matters. I would also like to be associated with the Members, and indeed with you Mr President, who have spoken in praise of the work and service of Mr Giraud, whom I have only known for a short period of months, but to whose wisdom I can pay my respects. He was a staunch and stalwart member of the Committee for Regional Development and Transport, and I certainly shall miss him, and join with the other Members in expressing the Commission's gratitude for his services.

The report which has been put before us, has been ably tabled by Mr Albers, in replacement of Mr Giraud. I would also like to thank the Regional Policy and Transport Commission for their contributions to the excellence of this report which concerns the Commission's proposal to modify the Regulation on the Community quota for the carriage of goods by road between Member States.

In its proposal, the Commission aims in the first place, at doubling the present Community quota to take it to 4726 authorizations, in such a way as to further the Community integration of a carriage of goods by road. I should like to remind Parliament that the size of the Community quota has remained unchanged for three years, while during the same period, trade between Member States has increased by more than 30%. The influence of the Community quota on the road transport market between Member States is, moreover, estimated at less than 4%. If one adds that the bilateral quotas are, in most cases, and on the evidence of interested parties, considered to be clearly insufficient, it is, astonishing that for three years in succession an increase has had to be proposed in the Community quota, which is still unfortunately only at an embryonic stage.

The Commission proposes to allocate the increase in the Community quota on the basis of 50% according to the use of Community authorizations, and 50% on a linear basis expressed on the quotas laid down in the regulations currently in force. On a technical level, and with the aim of reducing the formalities to be completed by the transport operator, and of accelerating the use and communications of the statistical data concerning the use of the Community's authorizations, the Commission proposes to simplify the record sheet for transport operations. The Commission hopes, with Members of Parliament, that the Council will finally approve this proposal which seems logical

**Burke**

and justified in all its aspects, and which will allow further progress to be made towards Community integration and the carriage of goods by road.

In the report before us we were asked to give some indication that Community authorizations are actually used, and to refer to monitoring of general trends in supply and demand of the goods transport market. I can give the House assurances on that subject. It would not be advisable, obviously, to increase the Community quota if the existing quota were insufficiently used. It is in the interest not only of the Commission, but also of the Member States, that the Community authorizations be properly used. The distribution of the increase, as I have said, is based on 50 % the use made of existing quotas available to Member States. Statistics on this use show a steady increase, which proves that, even in a period of economic recession, the Community authorizations meet an ever-growing need. Similarly, it is obvious that the Commission keeps a very close watch on the general trends of transport supply and demand on the market. It is on this trend that Community action must be based.

Finally, my objective is to give a large extension to the road transport for reward, and I would hope as soon as possible to arrive at a point at which we can break all artificial limitations on this type of transport. I would like to tell the House that I have already asked my services to undertake intensive consultations with the interests involved and I hope that we will be able to make the breakthrough that Members have asked me for. I will look forward to using this support in the Council in the very near future.

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

## 22. Unfreezing of appropriations (debate)

**President.** — The next item is the report (Doc. 388/77) by Lord Bruce of Donington, on behalf of the Committee on Budgets, on the request for the unfreezing of appropriations entered in Article 930, Section III: 'Commission', of the general budget of the European Communities for the financial year 1977.

I call Lord Bruce.

**Lord Bruce of Donington, rapporteur.** — Mr President, I am most grateful to the enlarged Bureau for having acceded to the request I made on Monday that this item be brought forward for discussion today, because, as I indicated then, it raises a question of fundamental constitutional importance to this Parliament.

Mr President, I do not propose to truncate my remarks in any way because of the rather small attendance we have this evening. In my opinion the whole question of the powers of Parliament, and indeed of the Commission, is raised by the proposal to effect

the transfer from article 930, to unfreeze the items in article 930, and these are matters upon which we ought to have, at any rate tonight, the authoritative word of the Commission. I deeply regret that, for reasons that are doubtless perfectly valid, it has not been possible for the Commissioner responsible, Mr Cheysson, to be present or, in his absence, Mr Tugendhat. This does not mean that I do not welcome Mr Burke, who, I am quite sure, will be able to deal with the matter very adequately on the Commission's behalf. However, since Mr Cheysson is intimately concerned in this matter, I would obviously have preferred him to be present to hear the remarks I am about to make.

Mr President, this is not purely a technical question. The proposal is for the unfreezing of an amount of 45 million u.a., in order that this may be spent for the purposes for which Parliament originally intended it. These indeed were laudable purposes. Parliament debated them with some enthusiasm: they are part of the margin of Parliament under Article 203 of the Treaty. Long and anxious discussion was devoted them, and they are, of course, principally for the benefit of what are called non-associated countries. They are for assistance to agriculture, horticulture and infrastructures in countries associated mainly with one of the countries that acceded to the Community in 1972. They are set out quite clearly in the proposals put forward by the Commission for the 1977 programme in respect of this aid, which on page 3 spells out what the money is to be spent on: the storage of grain and fertilizer, irrigation, research, other agricultural projects, fishing, studies and technical assistance, mainly on behalf of that section of the world formerly associated with the United Kingdom in an even more intimate form than it is now. India, Bangladesh, Pakistan, Sri Lanka, Vietnam, and then also, of course, Indonesia, Thailand, North Yemen and so on.

The expenditure here is typical of the outgoing nature of the Community, which tries to narrow the gap between the developing or underdeveloped sections of the world and the developed countries, such as the United States, Japan, and indeed the countries of Europe. They are part of the programme by means of which the Community sought to prove to the world that it was not merely an introverted body bent upon increasing the prosperity of the individual members of the Nine. It was a programme that was designed deliberately to try to narrow, in any way possible, the gap that existed between these particular parts of the world and the more highly developed sections of the world. And so the Committee on Development and cooperation welcomes these proposals for the expenditure of some 45 million u.a.

The matter has been brought to a head, by a letter received by the President and dated 14 October 1977 from the Vice-President, Mr Ortoli, requesting the unfreezing of these funds. I am bound to ask why, if

### Lord Bruce of Donington

this item was put in the Commission's 1977 budget and approved by Parliament in mid-December 1976, no request for unfreezing has occurred before? One would have thought that when Parliament made up its mind to support the Commission in this very generous, humane and desirable endeavour, the Commission would have been seeking the approval of Parliament for the unfreezing long before October of November 1977. Why has the delay occurred? It emerged, of course, during the course of the debate that took place on 11 October last in Luxembourg, when Mr Aigner from the Committees Budgets on asked the Commission the extent to which certain sums voted by Parliament as part of its margin were not yet expended. Mr Tugendhat replied as follows: 'the Commission has not used the appropriations set aside for this purpose, since the Council has not yet adopted the basic regulation for which the Commission submitted a proposal.' In short, the Commission was unable or thought itself unable, without the Council's permission, to spend.

Now, this raises a question of some constitutional significance because, of course, expenditure under Article 930 is non-compulsory expenditure. It is expenditure subject solely to the control of Parliament and, as I have said before, under Article 203 is part of its margin. Why then have the Commission not spent it? Why have they had to defer to Council? This is made all the more apposite by the fact that Mr Tugendhat himself, in answering an oral question with debate, raised by the chairman of the Committee on Development and Cooperation on the 15 November, said this: 'If therefore the Council does not take the necessary decision to provide a formal legal basis by the end of the year, I can assure the House that I as budget Commissioner, and Mr Cheysson as the Commissioner responsible for development, will recommend to the Commission that it commit the funds voted by the budgetary authority without such a Council decision'.

Mr President, I am bound to note the equivocation of Mr Tugendhat. It is customary when Commissioners address the House for them to speak with collegiate authority. It must be noted that all Mr Tugendhat committed himself to, as a Commissioner, was to recommend to his colleagues that they do authorize spending the money. He did not say that the Commission will spend this money whether the Council like it or not. I invite Mr Burke when he replies — and much indeed will depend on his reply — to say whether he is prepared to state that if Parliament tonight unfreezes this, he will expend it forthwith, whether or not the Council agrees with him.

It will be known that the Council have sought to circumvent the provisions of Article 205 of the Treaty to which, if you will recall, I myself referred in the course of the debate that took place on 11 October

last. I quote from page 139 of the rainbow edition. I pointed out that the provisions of Article 205 of the Treaty provided that 'the Commission shall implement the budget in accordance with the provisions of the regulation made pursuant to Article 209 on its own responsibility and within the limits of the appropriations'. In the course of the speech, which I had the honour to address to the Assembly, I referred in detail to Article 209, and I said that the responsibility was laid upon the Council in the following terms. I quote: 'The Council shall, acting unanimously on a proposal from the Commission, (a) make financial regulations specifying in particular the procedure to be adopted for establishing and implementing the budget and for presenting and auditing accounts'. I particularly drew the attention of Parliament to the fact that the Treaty itself, in the articles which I have quoted, made no provision for the Council to amend any of the Commission's proposals in this direction, or to curtail them in any way. The ostensible purpose of the Commission this evening is to get our approval to unfreeze it, on the basis that our consent is necessary for them to expend it. Do they intend to wait for the meeting of the Development Council on the 28 November before they decide? If they are going to wait till then before they decide, then their application to Parliament is frivolous, because Parliament's stand on this is quite unequivocal. This is non-compulsory expenditure. It has been voted by Parliament in the Commission to spend without any further intervention from Council. I know that what has happened — and my colleague, Mr Aigner, who is unfortunately not present at the moment, has referred to it — is that the Council have sought to interpose between the approval of Parliament to spend, and the Commission's executive authority to expend, a Development Council composed of representatives from Member States, so that before the clearance can be given to the Commission, either at COREPER level or at junior minister level at Council, there can be a long haggle amongst the Nine as to the political considerations determining apportionment of the aid.

This is not what Parliament intended. Parliament has examined in detail, through its Committee on Development and Cooperation, the proposals of the Commission. The Committee on Development and Cooperation has approved those proposals. It has commended them to Parliament. It even saw the proposals in detail and approved them as long ago as April 1977. All that remains to be done now, is for the Commission to declare whether they will implement them.

Mr President, I am well aware that I am trespassing on the time of Parliament, but the constitutional issues are important and I beg your indulgence just to elaborate a little further, because they are of tremendous importance to the whole significance of this institution. Either this institution is going to be treated seriously as a joint authority for the budget, or it is to be

### Lord Bruce of Donington

regarded as a mere puppet parliament which could be wiped round the heel, or be at the beck and call of either Council or Commission. Parliament has the authority, and I am bound to point out to Parliament that exactly the same consideration arose last year, in the course of the 1976 budget, when Parliament voted 20 millions units of account for aid to non-associated countries. Nothing was spent during the year, and at the end Mr Cheysson, the most compassionate of Commissioners, the most diplomatic and the most persuasive, came along to the Committee on Budgets and said: 'before we can spend this we must have Parliament's approval'. Parliament gave the approval but Mr Cheysson did not spend it until he had got Council's approval. In other words, the Parliament's support was obtained — I will not say under false pretences because that would be too strong a term to use concerning a man of the integrity of Mr Cheysson — but this is what it amounted to.

Now Parliament is not going to be made a fool of any more. Either the Commission say that this money — 45 million units of account for laudable and social purposes, which were approved by Parliament in its 1977 budget — will be spent regardless of what Council says in the matter or not, and on the Commission's reply the response of Parliament will be determined.

**President.** — Thank you, Lord Bruce, for the competence and conviction with which you have defended a view that is shared by the whole of this Parliament, in particular by members of the Committee on Development and Cooperation as well as by members of the Committee on Budgets.

I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, the Commission welcomes the motion for a resolution tabled by Lord Bruce of Donington on behalf of the Committee on Budgets. This resolution will permit the financing of development actions to the benefit of countries outside the scope of contractual relations. Indeed, it will facilitate the implementation of the 1977 programme, even if the Council does not approve in turn the regulation which should govern Community policy in this field.

The policy towards countries outside the scope of contractual relations is an important additional piece in the range of Community relations with the Third World. It complements the Lomé convention, the Maghreb and Mashrek agreements, food aid, the generalized preferences scheme and trade promotion in developing countries not otherwise linked to the Community. It is unthinkable that the Community should allow its policy in this area to be interrupted now, following the first round of financing decisions in this sector in 1976. This is especially unacceptable since the financial resources provided in the budget have been more than doubled this year, thanks to a decision of Parliament.

The Commission is convinced that the adoption of the proposal already approved by Parliament on 21 April 1977 is absolutely essential. This proposal not only provides the legal basis of this new aid activity, but also defines its aims, modalities and methods of application. The Commission has concentrated its efforts on convincing the Council of the need to approve this regulation this year. In the meantime, the Commission has established contact with possible recipient countries, regional bodies and international financial institutions with a view to drawing up a programme to be financed from the 1977 budget.

The programme which the Commission envisages for the current year seems to be fully compatible with the desired aims, particularly given the difficult conditions under which it was drawn up. This programme was forwarded to the chairman of the European Parliament's Committee on Development and Cooperation, Miss Flesch, and also conveyed orally to the development and cooperation group of the Council. In fact, it is highly desirable for Community aid in that field to be coordinated with the Member States' similar efforts. It is thus possible to commit the entire sum made available under Article 930 within the prescribed budgetary time-limit.

In the course of his contribution, to which I pay tribute, Lord Bruce, while stating that he would have preferred if my colleagues Mr Cheysson and Mr Tugendhat were here, was kind enough to say that he understood that I would be speaking collegially and therefore would accept my position. However, I would also ask Lord Bruce to understand that, speaking collegially on behalf of the Commission, I cannot anticipate the recommendation which my colleague, the Budget Commissioner, Mr Tugendhat, has stated he will make to the Commission in respect of this important matter. I would refer Parliament again to the statement, which was quoted by Lord Bruce, from Mr Tugendhat, in which he said that — and I quote — 'I can assure the House that I, as Budget Commissioner, and Mr Cheysson, as the Commissioner responsible for development, will recommend to the Commission that it commit the funds voted by the budgetary authority without such a Council decision'. In reiterating this statement in the terms used by the Budget Commissioner, I submit to the House that I am not, in fact, acting contrary to the respect due to the House. In fact, I have been long enough in politics to know that it would be injudicious for me to undertake any further obligations than those which my colleague, Mr Tugendhat, has already undertaken on behalf of the Commission, and therefore, while this may not be satisfying to Lord Bruce, I must say that it is as far as I can go at this stage, given, as he understands, the delicate nature of the matter to which he has referred.

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



23. *Additional protocol to the EEC-Malta agreement (debate)*

**President.** — The next item is the report (Doc. 378/77) by Mr Bersani, on behalf of the Committee on External Economic Relations, on

the draft Council regulation concerning the conclusion of the additional protocol to the agreement establishing an association between the European Economic Community and Malta.

I call Mr Martinelli.

**Mr Martinelli, deputy rapporteur.** — (1) The additional protocol is a document which, by implementing the association between the Community and the Republic of Malta, opens the way to that intensification of relations between the Community and Malta which we all desire. We should remember that the original agreement, which came into effect in April 1971, provided for the elimination, in two five-year stages, of obstacles to nearly the entire body of trade in industrial products between the two parties. But, since the conclusion of the agreement, important developments have occurred in the Community: we now have the Europe of the Nine and, in 1972, the Council adopted those special directives which were to make the achievement of an overall Mediterranean policy possible. All this made it necessary to review the agreements with the Republic of Malta and, after arduous negotiations, a new agreement was reached in December 1975 and came into effect in March of the following year, extending certain provisions to the agricultural sector and initiating financial and technological cooperation through the financing of projects designed to further the economic and social development of Malta.

The figures which I shall now briefly quote to you will convince you that trade between Malta and the Community, which represents 70 % of the island's external trade, has been vigorous in the years of the agreements' operation. Maltese exports to the Community increased four-and-a-half times in the period from 1970 to 1976, to reach a value of 136 million dollars — for an island with a population of 300 000 — while, in the same period, Community imports of Maltese goods doubled to reach 268 million dollars. Admittedly, these figures also show a trade surplus for the Community and, indeed, show on closer examination that this surplus has increased from 108 to 132 million dollars; but it should also be remembered that in 1970 Malta's trade deficit was three-and-a-half times the total value of Maltese exports to the Community, whereas in 1976 this deficit has become smaller, if only by a little, than the value of the island's total exports. This trend of Malta's external trade is symptomatic enough to deserve notice, because it shows that the Maltese economy grows sounder in a developmental framework, and not in a restrictive one.

There has been further progress on these agreements, and last month a new additional Protocol was concluded, the one we are examining today, extending once again the duration of the first stage — this time to 31 December 1980. (It was first extended from 1 April 1976 to 30 June 1977, not because of inertia, but because it had proved impossible to begin in time the negotiations envisaged for the second stage). The new Protocol grants total exemption on Malta's industrial exports, instead of the 70 % tariff reduction previously applicable, together with concessions on exports to the Community of Malta's processed agricultural products. But, in addition to the protocol, the Community felt it necessary, in order to dispell hesitations on Malta's part, to send an official letter stating that, on the expiry of the current financial protocol — that is, in 1981 — Malta's demands will be examined in a very favourable light with the aim of making available to the island certain aid measures, beyond those from the European Investment Bank, for which, up to a limit of 26 million u.a., the 1976 financial agreement already provides.

What is involved? It is access for Malta to certain Community institutions, such as the Agricultural, the Social and the Regional Funds, and this requires the removal of certain special obstacles. Will it be possible to eliminate them? It must be remembered that the Arab States have offered Malta access to financial institutions normally reserved to their own countries; and one reason for Malta's request for access to Community institutions is the island's concern to maintain a balance in its overall relations with Western Europe on the one part and the Arab States on the other. We should also bear in mind that in the past the Commission has always rejected requests of this nature, even from countries with closer links to the Community than Malta's, and they have been rejected not from lack of goodwill but because Community regulations formally exclude the possibility of third-country participation in Community institutions. Moreover, Malta, because of its repeatedly expressed desire to become a neutral country, will never be in a position to accede to the Community, at least as long as it maintains this political line. What, then, should we make of this official Community letter? I believe — and this is my personal opinion — that Malta's request can be dealt with through specific forms of economic, financial, technological and other aid adjusted from time to time to specific needs, without involving Community institutions, but in effect supplying aid equivalent to what these institutions provide. Such commitments, which are not directly translatable in terms of Treaty provisions, but are no less real and politically important for all that, are also the stuff of politics.

In this connection, it would have been well if the 1960 vote calling for the promotion of contacts between the European Parliament and the Maltese Parliament could have been given practical effect: but



**Martinelli**

it is with regret that we have to say that no progress has so far been achieved in establishing parliamentary contacts between Malta and the Community. Only last year the European Parliament again called emphatically for these contacts and renewed its invitation in a letter from its President — to which no answer has yet been received. It is clear, therefore, that it is not on our Parliament that responsibility for this state of affairs rests.

The concessions granted to Malta under the agreement which we are now debating will make it possible to provide considerable aid for the economic development of the island, not least in the difficult area of restructuring the Maltese industry in preparation for 1979, the year in which the agreements on military bases will expire. The 1973 Maltese 7-year plan to create 20 000 new jobs to replace those dependent on the presence of military bases, envisaged that 18 000 of these would be in the reorganized shipyards. But how do these job-creation plans look today, in the face of the worldwide shipbuilding crisis? Your rapporteur must also voice a certain concern about some measures adopted by the Maltese Government which do not seem conducive to economic development consonant with the principles which inspired the Common Market, such as, for instance, the nationalization of the banks, which has reduced the confidence necessary for private investment, thus aggravating further the difficulties inherent in the process of readaptation. By concluding the agreement, the Community has nevertheless demonstrated its solidarity with Malta, agreeing even, in response to a specific Maltese request, and subject to the Council's approval, to a further extension of the first stage which will permit a detailed examination of the objectives to be pursued and, more particularly, should, among other things, make it possible to achieve full customs union between the Community and Malta.

The development and improvement of economic relations between the Community and Malta should — and, I trust, will — provide the impetus for closer political cooperation and so make an important contribution to the maintenance of peace in the Mediterranean area.

In the course of its history, Malta has always cherished a vigorous spirit of independence while at the same time maintaining its frankly European commitment. As your rapporteur, and as the spokesman of the Christian-Democratic Group, I hope that the policy which the Community has been pursuing with perseverance and in a spirit of understanding towards the Republic of Malta will help to achieve those close economic and political ties for which we hope.

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

**Mr Amadei.** — (I) Mr President, I should first like to congratulate the rapporteur very warmly on his particularly clear and exhaustive exposition.

The association relationship linking the Community to the Republic of Malta is of an especial importance both because of the content of the agreements and because of the political and strategic significance of the island in the Mediterranean. I believe, therefore, that the conclusion of the negotiations between the Community and Malta reached on 29 June 1977 in Brussels marks an important milestone in the implementation of the Community's Mediterranean policy.

With these negotiations completed, the Community will be able to make an appropriate contribution to the economic and social advancement of the island by intervening directly and efficiently in the process of restructuring and developing the Maltese economy. Indeed, some of the opportunities for intervention envisaged should enable the Community to take practical action in some of the most sensitive sectors of Malta's economy. But the Community's action, while predominantly economically oriented, has also a political aspect, which is inherent in the association relationship itself. This relationship should — and, we trust, will — contribute to maintaining this Mediterranean island within the sphere of Western Europe's interests. Malta's geographical position requires that special care be taken to ensure that the island continues to play its traditional strategic rôle on the Western chessboard. It must not be allowed to succumb to blandishments and offers from its Arab neighbours and be drawn into their sphere of influence.

Support from the Community for this Mediterranean State where representative democracy and ideological freedom prevail, will make a substantial contribution to the maintenance of peace and to the relaxation of tension in an area of enormous importance to our continent.

I should also like to call on the Community authorities to see to it that the agreement provisions, and especially those of the Financial Protocol, are implemented as soon as possible, and that this time the Maltese Government does not have to wait too long to benefit from the aids under their terms. I believe it is essential that, once the parties have come to an agreement and once the necessary funds have been entered in the budget, the agreement be put into effect and the funds under the Financial Protocol be allocated at the earliest opportunity. For there can be no justification for delay.

Finally, I should like to express the Socialist Group's fullest support for Parliament's initiative, to which the rapporteur has referred at length, in urging the establishment of parliamentary contacts between the European Parliament and the Maltese Assembly, as laid down in the Annex to the 1970 agreement.

**Amadei**

The establishment of these contacts might well contribute to a better mutual knowledge of the other side's problems, and hence to the emergence of more effective and more appropriate forms of cooperation between the two parties. Inevitably, it would also be fruitful at the political level, by providing the Community with another opportunity to demonstrate its goodwill towards Malta and understanding of the island's problems, as well as its own firm resolve to make a serious and effective contribution to the solution of these problems.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, I would like to join with the Members who have expressed congratulations to the rapporteur, Mr Bersani, for his report, and to say that the Community's policy towards Malta within the framework of the association has always been dictated by the concern for that country's economic development. Indeed, I have before me a letter from the President of the Council of the European Community, Mr Tindemans, to the Prime Minister of the Republic of Malta in which the Community confirms that it is willing to do its utmost to seek, with Malta, solutions to specific problems.

The Additional Protocol submitted to Parliament for its approval lays down the conditions for the renewed extension from 1 July 1977 to 31 December 1980 of the agreement which expired on 30 June 1977. In particular, I would like to draw the attention of Parliament to the extension of trade arrangements for the first stage of the Association Agreement. The protocol also entails the following improvements in Malta's trading position: in the commercial sphere, customs exemptions for virtually all Maltese exports to the EEC — that is, of course, instead of the present 70 % customs rebate under the Association Agreement; specific concessions for certain products processed from agricultural products; the retention of the

Commonwealth Agreement by the United Kingdom and Ireland until 31 December 1977 — that is, an extension of six months — in respect of certain agricultural products; finally, regarding rules concerning origin, a few derogations for limited periods in respect of certain goods produced in Malta and exported to the EEC.

The entry into force of the Additional Protocol will enable the Community to intensify and strengthen relations with Malta, thus making a useful contribution to the economic and social development of the Maltese people. The protocol will also enable both parties to assess thoroughly the objectives of the Association in the light of mutual requirements.

I would like to thank Parliament for its reception of this.

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

*24. Agenda for the next sitting*

**President.** — The next sitting will be held tomorrow, Friday, 18 November 1977, at 9 a.m., with the following agenda:

- *Procedure without report*;
- Johnston report on psychiatric medicine in the Soviet Union;
- Pucci report on preserved sardines from Morocco and Tunisia;
- Spicer report on imports of certain agricultural products from Turkey;
- Herbert report on agricultural tractors;
- Würtz report on the staff of the Centre for Industrial Development;
- Interim Nyborg report on the simplification of customs procedures (without debate);

*End of sitting:* Vote on motions for resolutions on which the debate has closed.

The sitting is closed.

*(The sitting was closed at 6.40 p.m.)*

*ANNEX**Questions to the Commission which could not be answered during Question-time, with written answers**Question by Mr Flämig*

Subject: Fast-breeder reactors

It has been reported that, earlier this year, the UK Atomic Energy Authority carried out an experiment on the 17-year old Dounreay Fast Reactor by which the nuclear fuel elements were allowed to heat up to over 1 000 degrees Centigrade, beyond the melting-point of the stainless-steel cladding, but that no explosion took place as a result of contact between the fuel elements and the liquid sodium coolant. Will the Commission state clearly what exactly happened in this experiment, which has most important safety implications for the future construction of fast-breeder reactors in the Community?

*Answer*

The Commission is not involved in experiments such as that carried out in the fast-breeder reactor at Dounreay in Scotland. However, our experts in the Working Party on Fast Breeders have supplied me with some information about this incident, which I gladly pass on.

Before the Dounreay reactor was finally put out of service, various experiments were carried out to test its safety. The boiling tests referred to by Mr Flämig were indeed successful, as the cladding remained intact. In only one case did gas penetrate into the fuel element. Local overheating occurred and fuel cladding melted as a result of contact between steam and gas voids, but there was no sign of pressure waves, which would have constituted a safety problem. This is extremely important for the future of the fast-breeder reactor, since it has thus been shown that contact between sodium and molten fuel clearly does not involve a hazard to reactor safety.

*Question by Mr Leonardi*

Subject: JET Project

In view of the radical change of approach to the siting of JET that has taken place over the past two years, does the Commission not consider that it would be as well to draw up a written report, simply chronicling the decision-making process which led up to it?

*Answer*

The Honourable Member will acknowledge the fact that I have kept the European Parliament constantly informed of developments in the siting question and the difficulties that have arisen. The Commission is glad that a decision was taken at the eleventh hour. Any additional delay would have had fatal consequences for the project. I do not think it is desirable to draw up a report on these difficulties. We ought now to forget the past and turn our attention to the future and concentrate all our efforts on ensuring the rapid and successful implementation of the JET project.

*Question by Mr Howell*

Subject: Finance of the CAP

Bearing in mind the current studies within the Commission on the application of the European Unit of Account (EUA) to the Common Agricultural Policy, what practical problems does the Commission anticipate?

*Answer*

The Commission has just completed its first studies on the use of the European Unit of Account (EUA) in the Common Agricultural Policy, and a copy of its report<sup>1</sup> is being sent to the Parliament.

<sup>1</sup> Report on the Use of the Unit of Account in the Common Agricultural Policy (COM (77) 480, of October 28, 1977).

A discussion of all the practical problems exposed in this study would go beyond the framework of Question-time.

But a shift to the European Unit of Account, which is desirable in the view of the Commission, requires decisions concerning mechanisms for the actual changeover, which raises complicated and delicate issues of price-levels, amounts of negative and positive monetary compensatory amounts, and will not in itself facilitate the solution of this problem, or, for that matter, of structural surpluses. This issue would be better discussed in the framework of a debate on the report. But let me add:

Introduction of the European Unit of Account into the Common Agricultural Policy is often seen as a means to an end. It is seen as:

- an instrument for phasing out Monetary Compensatory Amounts;
- a weapon for attacking surpluses by lowering the common price-level;
- a way of reducing CAP expenditure;
- a means of appearing to give higher price-rises each year, while in reality giving the same or smaller ones.

It is none of these things and this way of looking at the question — of considering the introduction of the EUA as a means to an end — leads only to confusion and misplaced hopes.

The EUA would provide the agricultural policy with another way of expressing common prices and fixed amounts. That is all. It would have largely neutral effects on the policy: none of the problems that the policy faces would diminish or change, and no new solutions to them would be offered.

*Question by Mr Lagorce*

Subject: Cereals shortage in Upper Volta

How has the Commission responded, or does it intend to respond, to the appeal for international solidarity made some months ago by Upper Volta to combat a shortage in cereals so alarming that the country faces a serious threat of famine?

*Answer*

The Commission has already responded to the difficult food situation currently prevailing in Upper Volta. In the 1978 food aid programme, which has been sent to Council and Parliament, the Commission proposes the grant to Upper Volta of 8 500 tonnes of cereals (as against 2 000 tonnes of cereals in 1977 taken from the 1976 Sahel reserve).

The action proposed for 1978 can be evaluated at 1.9 million units of account.

*Question by Mr Jensen*

Subject: National fishing-zones

After the United Kingdom's introduction for an indefinite period with effect from 1 November 1977 of a national prohibited zone called the 'pout-box' which discriminates directly against industrial fishing on the part of the other Member States, can the Commission, in its capacity as guardian of the Treaty, state whether it intends to institute proceedings against the United Kingdom before the Court of Justice for setting up a protected area where such is not adequately justified on biological grounds?

*Answer*

In accordance with Annex 6 to the Hague resolution the Member States are not entitled to take national measures in 1977 unless:

- agreement has not been reached in the international fisheries commissions;
- Community measures could not be adopted immediately;
- the national measures are non-discriminatory;
- the approval of the Commission has been sought before their adoption.

The Commission proposed a Norway pout-box for the months of November and December based on clear biological advice in a certain area in the North Sea. This proposal did not receive a qualified majority in the Council on 24-25 October.

The UK government thereupon sought the approval of the Commission for a national measure which apparently is identical to the one proposed by the Commission. The Commission is presently examining the UK request for approval, and I expect that the Commission's decision will be taken in the immediate future. I must add that we cannot see that the measures are discriminatory or unnecessary.

*Question by Mr Kavanagh*

Subject: Illiteracy in the Community

Does the Commission have any information relating to the extent of illiteracy in the Community and, if not, does it intend to investigate the situation and propose special measures (beyond those contained in par. 3, sub b) of Recommendation 77/467/EEC of 6 July 1977)<sup>1</sup> to combat the problem?

*Answer*

1. No, the Commission has no information about the extent of illiteracy in the Community.
2. Some months ago, the Commission began a study of the whole field of adult education which will also include the problems posed by illiteracy. This study is due to be completed in a year's time and, on the basis of its findings, we shall then decide whether there is any need or use for special measures to combat illiteracy.

<sup>1</sup> OJ C 180 of 20. 7. 1977, p. 18.

## SITTING OF FRIDAY, 18 NOVEMBER 1977

## Contents

1. Approval of the minutes . . . . .	235	10. Simplification of customs procedures — Report by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs (Doc. 376/77)	
2. Budgetary procedure Mr Dalyell . . . . .	235	Adoption of the resolution . . . . .	247
3. Procedure without report . . . . .	235	11. Regulation and decision on the financing of food aid — Report by Mr Aigner (Doc. 382/77) — (Vote)	
4. Membership of committees . . . . .	235	Adoption of the resolution . . . . .	247
5. Psychiatric medicine in the Soviet Union — Report by Mr Johnston on behalf of the Political Affairs Committee (Doc. 373/77)		12. Regulation on the carriage of goods by road — Report by Mr Giraud (Doc. 380/77) — (Vote)	
Mr Johnston, rapporteur . . . . .	235	Adoption of resolution . . . . .	247
Mr Broeksz, on behalf of the Socialist Group; Mr Hans-Werner Müller, on behalf of the Christian-Democratic Group; Lord Bethell, on behalf of the European Conservative Group; Mr Dalyell; Mr Spicer; Mr Seefeld; Mrs Ewing; Lord St. Oswald; Mr Haferkamp, Vice-President of the Commission; Mr Johnston; Mr Dalyell; Lord Bethell; Mr Dalyell . . . . .	237	13. Unfreezing of appropriations — Report by Lord Bruce of Donington (Doc. 388/77) — (Vote)	
6. Regulations on preserved sardines from Morocco and Tunisia — Report by Mr Pucci on behalf of the Committee on External Economic relations (Doc. 358/77)		Adoption of resolution . . . . .	247
Mr Pucci, rapporteur . . . . .	243	14. Additional protocol to the EEC/Malta Agreement — Report by Mr Bersani (Doc. 378/77) — (Vote)	
7. Regulation on imports of certain agricul- tural products from Turkey — Report by Mr Spicer on behalf of the Committee on External Economic Relations (Doc. 353/77)		Adoption of resolution . . . . .	247
Mr Spicer, rapporteur . . . . .	244	15. Psychiatric medicine in the Soviet Union — Report by Mr Johnston (Doc. 373/77) — (Vote)	
Mr Haferkamp, Vice-President of the Commission . . . . .	245	Adoption of resolution . . . . .	247
8. Directive on agricultural or forestry trac- tors — Report by Mr Herbert on behalf of the Committee on Regional Policy, Regional Planning and Transport (Doc. 356/77)		16. Regulations on preserved sardines from Morocco and Tunisia — Report by Mr Pucci (Doc. 358/77) — (Vote)	
Mr Herbert, rapporteur . . . . .	245	Adoption of resolution . . . . .	247
Mr Haferkamp, Vice-President of the Commission . . . . .	245	17. Regulation on imports of certain agricul- tural products from Turkey — Report by Mr Spicer (Doc. 353/77) — (Vote)	
9. Regulation on the staff of the Centre for Industrial Development — Report by Mr Würtz on behalf of the Committee on Budgets (Doc. 321/77)		Adoption of resolution . . . . .	247
Lord Bruce of Donington, deputy rappor- teur . . . . .	246	18. Directive on agricultural or forestry trac- tors — Report by Mr Herbert (Doc. 356/77) — (Vote)	
Mr Haferkamp, Vice-President of the Commission . . . . .	247	Adoption of resolution . . . . .	247
		19. Regulation on the staff of the Centre for Industrial Development — Report by Mr Würtz (Doc. 321/77) — (Vote)	
		Adoption of resolution . . . . .	247
		20. Dates of the next part-session . . . . .	247
		21. Approval of the minutes . . . . .	248
		22. Adjournment of the session . . . . .	248

## IN THE CHAIR : MR MEINTZ

*Vice-President*

(The sitting was opened at 9.00 a.m.)

**President.** — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Budgetary procedure*

**President.** — In accordance with the provisions of the budgetary procedure, the pre-report time limit for tabling amendments to the Council's modifications and proposals for outright rejection and for forwarding the opinions of the committees concerned to the committee responsible is set at 12 noon on 29 November 1977. The post-report time limit is set at 11 a.m. on 14 December 1977.

The budget debate will then be held during the sitting of Tuesday, 13 December and the vote during that of Thursday, 15 December 1977.

I would remind the House that at the second reading Parliament must act on the general budget by a majority of its members and three fifths of the votes cast, if it is to amend or reject the modifications made by the Council to the amendments adopted by us at the first reading. It is important therefore that the 100 Members needed for the vote should be present.

I call Mr Dalyell.

**Mr Dalyell.** — I want to ask formally that the enlarged Bureau consider the question whether it is really proper and practical to expect 100 Members to be present on the kind of occasion that you have referred to. Mr President, I put it to you that, given the dual mandate, given the fact that our SPD colleagues have their party conference in Hamburg, given the fact that there was business that was crucial to the future of the unity of the British State in the House of Commons, it is scarcely realistic at every plenary sitting to expect all Members to be present. Therefore, I ask, without further ado, that the enlarged Bureau consider the whole question of this majority.

**President.** — I shall convey your comments to the Bureau, Mr Dalyell, but the rules governing the final vote on the budget, which is our single most important political activity, are laid down by the Treaties. The order of business of the next part-session must therefore be planned in such a way that all the Members can be present at any given moment.

3. *Procedure without report*

**President.** — On Monday I announced to the House the Commission proposals for which it was proposed to apply the procedure without report laid down in Rule 27A of the Rules of Procedure. Since no Member has asked leave to speak and since no amendments have been tabled, I declare these proposals approved by the European Parliament.

4. *Membership of committees*

**President.** — I have received from the Socialist Group a request for the appointment of

— Mr Joxe as member of the Committee on Regional Policy, Regional Planning and Transport and

— Mr Spénale as member of the Committee on Development and Cooperation and of the Consultative Assembly of the ACP/EEC Convention.

Are there any objections?

These appointments are ratified.

5. *Psychiatric medicine in the Soviet Union*

**President.** — The next item is the report (Doc. 373/77) by Mr Johnston, on behalf of the Political Affairs Committee, on the abuse of psychiatric medicine in the Soviet Union.

I call Mr Johnston.

**Mr Johnston, rapporteur.** — Mr President, this is an extremely short report which, in a very few lines, conceals a spread of questions, all of which are complicated, grave and, in some cases, reveal a profound disregard for the freedom of the human personality, with which we, as democrats, must always be primarily concerned.

I had the privilege of meeting and talking to Vladimir Bukovsky when he came to the United Kingdom, shortly after his release. One thing that particularly struck me — I suppose because I was somewhat unprepared for it — was that he was a young man, old almost before middle age, and showing clear evidence of the privations that he had borne. I was expecting from him anger and bitterness — there was, of course, an element of that — but what I was not so ready for was the humanity, the self-deprecation and the humour that he evinced. He excused the people who had been his jailers, he laughed at himself, and it really was an enormously exhilarating demonstration of the invincibility of the human spirit and man's unfathomable capacity to face and overcome inhumanity with humanity.

What was Bukovsky's crime? Why was he imprisoned? Why did he find himself, on a number of occasions, in a punishment cell so small that he could not stand up or lie down properly, while illness was

## Johnston

wasting his body? He had led a campaign against the abuse by the Soviet authorities of psychiatry for political purposes. That abuse — the scale of which is not easy to evaluate, although Amnesty International has gone some way in this — was recognized by the World Psychiatric Congress in Hawaii on 1 September 1977, to which the original motion for a resolution refers. The response of the Political Affairs Committee to this is to submit the report which is before you.

What does this abuse consist of? There are, I know, a number of Members, who will probably wish to catch your eye, who may well indeed be better informed about these questions than I. I refer particularly to Lord Bethell, who has taken a deep and consistent interest in the matter.

But I would like to try and summarize it very briefly. Victor Feinberg — I think — who spent five years in mental hospitals following his protests after the invasion of Czechoslovakia, had it summed up for him in what he was told by a doctor in the special psychiatric hospital in Leningrad where he was for a time in 1971. This doctor said to him, 'Your discharge depends upon your conduct. By your conduct we mean your opinions, precisely on political questions. Your disease is dissent.' (That is the key phrase: 'your disease is dissent'.) 'As soon as you renounce your opinions and adopt the correct point of view, we will let you out.'

That, really, is what it is all about. Leonid Plyushch, whose personal experience so affected the congress in Honolulu and who has had these experiences set out in the book which I have here, has explained the practical consequences of this. It is not my purpose this morning to relate these experiences, simply to outline the procedure and the consequences of that procedure which results in the violation of human rights, against which, I think, we must all protest.

First of all, according to the procedure, if the Soviet authorities, investigating an allegation of a criminal act, feel that the accused person may be guilty, they may, instead of going through the normal criminal procedure, decide that he is mentally unfit to plead. If that is determined, the person goes before a commission of psychiatrists. At that point, he need not be told anything about the order against him; he need not be informed of the results of the examination; indeed, once his sanity has been called into question, his investigators are not required to inform him of new charges against him, or to familiarize him with any documentation of the case. It is in fact left to the court's discretion whether the accused or his relatives shall be allowed to attend the court hearing which rules upon his sanity and his need for confinement to a psychiatric hospital. There is no legal requirement that the accused be informed of the date of his hearing, despite its decisive influence upon his fate.

So it is that a number of people find themselves imprisoned in psychiatric hospitals for considerable lengths of time. We know this because of the number of people who have undergone this experience and have subsequently — and this is very relevant to this debate — been largely released from the Soviet Union as a result of the campaigns which have been organized in the West. We then know what subsequently takes place.

I mentioned Victor Feinberg, and to re-emphasize the point that 'your disease is dissent', let me give you another quotation concerning the situation in which a man called Mikhailovich found himself when he had undergone a Christian conversion. Let me say at once that the question of Christian conversion is not a matter which I can adjudicate in any particular way, and there is no doubt that people throughout the world undergo spiritual changes the nature of which we barely understand and certainly cannot easily evaluate in terms of sanity and insanity. But the Soviet authorities did evaluate it in that way. The doctor said: 'You see, Comrade Mikhailovich, everything you just told us confirms us in the view that illness lies at the root of your conversion. Of course, you yourself cannot understand this, but you must have confidence in us — we are specialists. If you had grown up in a religious family or had lived somewhere in the West, well then, we could have looked at your religiousness in another way. But you were educated in a Soviet school and were brought up in a family of non-believers. You are an educated person. I am even ready to admit that you know more about philosophy and religion than I do, and suddenly, wham! you are religious. It is very odd indeed, and makes one wonder if some abnormal process were not already developing in you in your youth which later brought you to religion.'

It is that approach which is so deeply and profoundly offensive, which then results, as we have seen in the case of Leonid Plyushch, in incarceration in a psychiatric hospital and in forcible treatment there by a succession of drugs which, when applied to a person who is ill and suffering from mental or other disorders, may well be effective but, when applied to a healthy person not suffering from mental disorders, may be deeply damaging.

I do not think it is very easy to imagine the effects upon a person — even if one tries to imagine the effects on oneself — of being incarcerated in isolation within a hospital containing persons who in many cases are genuinely insane, and being told that one is insane, and then further having one's physical resistance broken down by the forcible injection of drugs. Obviously, we in the West can never be satisfied that what takes place in our own mental hospitals is above reproach; I would be the last person to suggest that. As I said at the beginning, it is a difficult and perpetu-



**Johnston**

ally controversial matter, but I do think that whatever errors we have made in the West — and there have been errors — the use of mental institutions in a concerted fashion for a political purpose has not been one of them.

That prompts us in the Political Affairs Committee to refer in paragraph 1 to the unequivocal condemnation of all kinds of psychiatric treatment of political prisoners, wherever it may occur. If it were demonstrated that it occurred in any part of our Community or indeed in any other part of the world, then certainly it would be right that this Parliament should condemn it. In paragraph 2, we invite the governments of the Nine, meeting in political cooperation, to consider how this condemnation can most effectively be put forward at the present Belgrade follow-up conference. That is why we are debating this question this morning, for if we had delayed until the next part-session, it would not have been possible for this Parliament to have its opinion conveyed and to achieve such effects as that opinion may have at the Belgrade Conference. In this regard, the old argument advanced quite genuinely by a lot of people, that such protests are counter-productive and may lead to the application of a harsher regime, has diminished in effectiveness. As far as I know, though I am subject to correction, all the evidence is that in the Soviet Union — and it is worth recalling that evidence of this practice has not been revealed in the satellite countries, but in the Soviet Union itself only — they are sensitive and responsive to protests coming from the West: that has been well demonstrated by the release of a number of the most notable dissidents, some of whose names I have already mentioned.

Therefore, Mr President, I would, on behalf of the Political Affairs Committee, commend this brief report to Parliament, congratulate the groups on their initiative in bringing forward the original motion for a resolution signed by Mr Klepsch, Mr Rippon and Mr Kofoed, and ask that this Parliament, meeting in a very splendid, relaxed and comfortable atmosphere, remember people who, for their beliefs, held strongly and fervently, are suffering much more than perhaps we shall ever realize.

*(Applause)*

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

**Mr. Broeks.** — *(NL)* Mr President, I have no wish to turn this Parliament into a sort of mini-Belgrade. I think we should be wise to leave the discussion of these matters to the Belgrade Conference, as paragraph 2 of the motion for a resolution advocates. We must not assume that if this item is up for discussion in Belgrade, we can do things better than our representatives in Belgrade.

We have not the slightest objection to the wording of the motion for a resolution which we shall be pleased

to adopt, especially paragraph 2 which invites our ministers and our governments to examine the question in detail at the Belgrade Conference. If this is done, we shall be satisfied. We honestly have no wish to engage in lengthy discussions on the subject.

This is why, Mr President, we shall not be taking part in the debate, although we shall vote in favour of the resolution.

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

**Mr Hans-Werner Müller.** — *(D)* Mr President, ladies and gentlemen, I feel that in discussing this item we can to some degree lay aside our diplomatic reserve, as did the previous speaker. I should like to make a few comments on this problem on behalf of the Christian-Democratic Group. As the rapporteur has said, we unreservedly support the motion for a resolution in its entirety. I should particularly like to point out that paragraph 2 invites the governments of the Nine to put forward this condemnation most effectively at the present Belgrade follow-up conference. In our view, the governments of the Nine should pursue the human rights initiatives begun early this month.

The Christian-Democratic Group naturally supports the letter and the spirit of this motion, for psychiatric treatment of political prisoners must be condemned unequivocally wherever it occurs, whether in the Soviet Union or anywhere else, and whenever it is designed to suppress the basic democratic freedom of political opinions and activities. That is the wording of this motion for a resolution. We regard recourse to such methods of silencing political dissenters as simply unworthy, and evidence of a deep contempt for humanity. The aim of this motion for a resolution is therefore to endorse the condemnation of the practice adopted by the authorities in the USSR and other countries of subjecting political prisoners to psychiatric treatment, which was actually adopted twice by varying majorities on 1 September 1977 at the World Psychiatric Congress in Hawaii.

For us, Mr President, in the words of paragraph 1 of the motion tabled by the political groups, it is an established fact that psychiatrists in the USSR have deliberately, for political purposes, prescribed confinement for mentally healthy men and women. Not the least of our reasons for regarding it as an established fact was the clear, impressive and noble account of his experiences which Mr Vladimir Bukovsky gave our Group at its study days in London in early September. We learnt from him that, in such cases, medical treatment is for the most part no less than a disguised form of torture, and that the injections administered produce high temperatures and unbearable pain. Moreover, one of the Soviet delegates at the Hawaii Congress — and his name is known — admitted that

### Hans-Werner Müller

there were a number of people in Soviet psychiatric hospitals who had previously been convicted of anti-government activities. This practice is not even a recent development; on the contrary, there is evidence that these things were happening as long ago as 1963. Mr Kruschew was recorded as saying 'There are no opponents of the system in the Soviet Union, merely a few madmen'. These words have clearly led the leaders of the Communist camp to believe that Soviet society is perfect, and that anyone who thinks he can improve it must be mad. The Soviet delegates described the clear condemnation at the Hawaii Conference, not once but twice, of this Soviet practice, as a black day in the history of psychiatry. They claimed that anti-psychiatric, anti-social and reactionary elements had transformed a scientific congress into an arena for political provocation.

No, Mr President, this is no provocation. The evidence is undeniable. We are reliably informed that there are about 20 000 psychiatrists in the Soviet Union. About one hundred are said to be taking part in these practices. We should give moral support to those 20 000 by our pronouncement today, so that they too may be able to exert pressure on their 100 or so colleagues to abandon this kind of practice.

The defence built up by the Soviet psychiatrists in Hawaii is all too transparent, even to one who is not a psychiatrist or a doctor. For example, a list of clear criteria used in the West for diagnosing schizophrenia is not recognized by Soviet experts. In the Soviet Union anyone who holds anti-social ideas, i.e. who deviates from the official line, is regarded as mentally ill. The Russians are not concerned to clear up this misunderstanding, as it is part of their justification. At the present moment there are said to be about 700 allegedly mentally-ill dissidents in confinement. Mr President, these people's illness, what is wrong with them, a desire for liberty. This is why we emphatically welcome the condemnation adopted by the World Psychiatric Congress this time. A similar attempt was made in 1971 at the Psychiatric Congress in Mexico, but, unfortunately, it was vetoed by the Eastern Bloc.

As I have already said, we call on the governments of the Nine to put the matter forward effectively in Belgrade. In this connection I must also draw attention to paragraph 4 of the motion tabled by the three political groups. There is a reference there to Basket 2 of the Final Act of the Helsinki Conference. I should like to quote Section 4 of the Helsinki Final Act:

The participating States,  
*Convinced* that scientific and technological cooperation constitutes an important contribution to the strengthening of security and cooperation among them, in that it assists the effective solution of problems of common interest and the improvement of the conditions of human life,  
*Considering* that in developing such cooperation it is important to promote the sharing of information and

experience, facilitating the study and transfer of scientific and technological achievements, as well as the access to such achievements on a mutually advantageous basis and in fields of cooperation agreed between interested parties,...

Those were the words of Basket 2. Among the fields then listed are medicine, public health, research into neurophysiology, the testing of new medicines and drugs etc.

My group — echoing the words of paragraph 4 of the motion for a resolution tabled by the political groups — will only give our consent to cooperation with other States in these fields when we are convinced that psychiatrists are no longer perpetrating such abuses. It would be a joke in rather poor taste if newly acquired knowledge in neurophysiology, or experimental results from new drugs, were to be exchanged, and then used on political prisoners.

Mr President, ladies and gentlemen, we are not conducting a campaign of vilification, as it has been described. It is a fight for civil rights, and brooks no compromise.

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

**Lord Bethell.** — Mr President, I would like to add a few brief remarks since I have taken a certain special interest in this subject. I am personally acquainted with a number of former Soviet citizens who have had the misfortune to be incarcerated in mental hospitals in the Soviet Union for their political beliefs and who have suffered very severely in those places, and have spoken to me about what happened there.

I think this House recognizes, unanimously and beyond doubt, that the methods we have heard described by Mr Russell Johnston, in his admirable presentation of this report, have been used in the Soviet Union to suppress political dissent. They were used against Mr Bukovsky, who spent some extremely unpleasant months in a mental hospital near Leningrad; they were used against Natalia Gorbonyevskaya, who now lives in Paris, and against Leonid Plyushch. These three extremely reliable witnesses are only a few of those who have described their experiences in great detail and with great emotion. I submit that it is impossible for anyone in this House to doubt the truth of what has been said or fail to be shocked by what they have heard.

I would like to quote at this stage some of the remarks made by Plyushch, who came out of the Soviet Union looking like a living skeleton after what he had suffered in that country. He described how he was treated many times by a drug called haloperidol, which is used exclusively for extreme schizophrenia in the West, and he was not given a corrector drug to

## Lord Bethell

minimize the very harmful and painful side-effects of haloperidol. This drug, in the West, is never without a corrector drug to counteract these extremely damaging side-effects. The side-effects consist of symptoms which are related to Parkinson's disease and they include muscular rigidity, slowness of body movement, restlessness, desire to change the body's position. One such patient said, after receiving treatment with haloperidol: 'It is difficult to think, to walk, to sit, it is impossible to lie'. People complain of unimaginable anxiety, groundless fear and sleeplessness. Leonid Plyushch himself said, when recollecting what he had felt at the time of his treatment with this drug: 'I felt that I was being turned into an idiot, my feelings all those months were fear, terror and deep sorrow.' Happily, he was able to leave the Soviet Union, but there are others who have not been so lucky. I am thinking of Mykola Plokhotnyuk, who has been in a mental hospital at Dnepropetrovsk, in the Ukraine, for no less than five years, receiving this sort of torture by injection at the hands of psychiatrists who have flagrantly violated their Hippocratic oath.

I therefore think it necessary that we should raise this matter in the European Parliament today. I am glad that the Political Affairs Committee took it upon itself to hurry this matter through in time for it to be discussed while the Belgrade Conference was still in operation, that it found time to discuss it in Berlin, in the face of harassment by military vehicles of the Soviet Army, which may well have been there, in part, because of this resolution.

I must say that I do not entirely understand the point of view of Mr Broeksz, who spoke on behalf of the Socialist Group and who, I am sorry to see, is not in his place, having made his speech. He seemed to give the impression that this was none of our business and that we could perfectly happily leave the question of abuse of psychiatry to the delegates of our Member States in Belgrade. I do not know what Mr Broeksz knows about this, but I am not aware that this question has yet been raised in Belgrade. The reason why this Parliament is considering it, and why it may pass a resolution on this subject, is that it wishes the delegates of our Member States to raise it in Belgrade. I do not think it is enough, with the greatest respect to Mr Broeksz, simply to wash our hands of this very important matter and say, 'leave it to them'. Surely, we, as Members of Parliament, have a right also to be concerned in it, and if we wish to request our delegates in Belgrade to raise it, we have a right to make this request.

I am also sorry, Mr President, that this matter has been raised at this time when there is no Minister from the Council of Ministers present. Had there been, he could have told us what plans there were to raise this matter under the aegis of political cooperation in Belgrade. He could have explained to us

exactly what was going to be done in Belgrade to bring the feelings of this House to the attention of the other signatory States especially the one mentioned in this resolution. Nevertheless, I trust that the representative sitting in seat number 2 will pass on the message that probably will be given by this House. I would not be at all surprised if, at the December part-session, there were a question to the Conference of Foreign Ministers asking the Foreign Minister of Belgium what steps had been taken to convey the feelings of this House to the Council, and from the Nine meeting in political cooperation to the other signatory States in Belgrade. Only in this way can we fulfil our duty, not only to the people of our own States who indirectly elected us to come to this assembly, but to the people of the world, for whom, in spite of everything, we feel great concern and worry.

*(Applause from the centre and the right)*

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — I must make clear that I am speaking in a personal capacity, and not on behalf of the Socialist Group. It was on one of those very rare occasions when I could not attend a meeting of the Socialist Group that the report before us was discussed, because there was business in the House of Commons that affected the very future of the British state as a united kingdom. I, therefore, was not at the group meeting.

Mr President, I take a deeply different view from previous speakers. We have a paper before us which purports to be about the abuse of psychiatric medicine in the Soviet Union. For my part, I think this is an abuse of the agenda of the European Parliament on a Friday morning, to be discussing a basic issue in this form.

I start with the resolution, which, as Mr Broeksz — who, unfortunately, is not present — points out to me, is unexceptionable and does not point a finger at the Soviet Union. Who would really swallow that view? Here we have a paper which, on the very front cover, talks about the abuse of psychiatric medicine in the Soviet Union and, in the light of the speeches by Mr Johnston, Lord Bethell and others, is quite clearly directed at the Soviet Union. As we are agreed on that, let us not talk about general motions. It's about Russia, and we'd better be candid about that.

The issue then arises as to whether it really should be the business of the European Parliament to lecture Mother Russia on how she should treat her own nationals, and whether this is a very productive use of our time. (Interruptions). My reply to these interjections is that, if the European Parliament is going to discuss this kind of subject in this way, then I think, frankly that we might do better to concern ourselves with what is happening in Northern Ireland or in Calabria — for example, the allegations that EEC

**Dalyell**

funds, which are our very direct concern, are being syphoned off to support the Mafia in Calabria. We should do better to investigate that than concern ourselves with an issue which we, as a European Parliament, can, first of all, do very little about and which, secondly, may be highly counter-productive at a time when the Soviet Union is talking seriously about arms limitations.

I would reply to Lord Bethell that, of course, we all have personal concerns. He may well say — and I respect him for it — that he has taken a deep interest in this subject: I know that he has. But I do warn him that there is another body of opinion which considers that the European Parliament, when very few of us are in attendance, should not be used as a vehicle for discussing a particular cause which is of personal concern. There are two sides to this story. The other side of the story is that some of us would like to know a great deal more about it, and hear the Soviet view. We are told about these doctors, however distinguished, meeting in Hawaii. What papers have been before us of the whole discussion in Hawaii? Before coming to any conclusions on this, I would like to hear evidence in detail from those who know about psychiatric medicine.

I quote from Mr Johnston: 'The use of mental institutions for a concerted political purpose'. That is a very sweeping description, because some of us have been much less impressed by the Soviet dissidents, when they have appeared on British television, than some of our colleagues. I would like to see a great deal of evidence for this 'use of mental institutions for a concerted political purpose'. Before we start passing resolutions, we really ought to have some evidence in full, as a Parliament, that this is the situation, rather than take it on the word of conferences, however distinguished. There are two points of view, even in psychiatric medicine, on this.

Therefore, Mr President, I hope that this morning we shall not forward these resolutions to the Council. I, personally, will vote against and ask that my vote be recorded.

**President.** — I call Mr Spicer.

**Mr Spicer.** — Mr President, I had no intention of intervening in this debate and I will do so very briefly indeed. I know Mr Dalyell very well, and I have a great respect for his tenacity of purpose and the way in which he pursues his point. But I do hope that all that he has said today will be followed through on other occasions in this Chamber, because, time after time, we are treated to exactly the same, and far worse, accusations levelled against other countries in the world. It comes from the Socialist Group — they are prepared to condemn, to interfere in the affairs of other countries, be it South Africa, be it Chile, be it any other country. That equally, following his argument, is no concern of this House. I hope that the next time we have any resolution or oral question

with debate from the Socialist Group interfering in the affairs of other countries he will stand up and make the same speech against his fellow members of the Socialist Group.

*(Applause from the centre and the right)*

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — *(D)* I do not wish to prolong this debate. I did not wish to speak at all, any more than did Mr Spicer, but I cannot let this pass. In this House any member can speak his mind, and Mr Dalyell has vailed himself of this right. Mr Spicer, if you wish to drag in the activities of the Socialist Group, especially in relation to this motion for a resolution, it would only be fair if you pick up the document itself. On page 3 you will read where, when, and by how many votes the motion for a resolution was adopted, and you will find that it was adopted unanimously by the Political Affairs Committee. If you then consult the record of attendance you will see that a number of members of the Socialist Group took part in the vote, and, if the result was unanimous, they presumably voted for adoption. So please do not try to make a link between Mr Dalyell's highly personal remarks and the Socialist Group, as he stated very plainly that he was speaking in a personal capacity. Declarations of this kind are not infrequent in this House. You should not try to make mountains out of molehills.

I should like to make a few remarks which I think are relevant here. Most of us in the Socialist Group accept the words which form a cornerstone of the United Nations Universal Declaration of Human Rights of 1948: 'No one shall be subjected to torture or to cruel, inhuman, or degrading treatment or punishment.' If this text were observed throughout the world, and if all those who voted for it in the United Nations at the time, and those who have acceded to it since, were to observe this Declaration of Human Rights, we should not need to be here today discussing this motion; unfortunately, that is not the case; the real world is different from the world depicted in declarations.

Here, as in the case of nearly all the other United Nations' declarations, reality does not conform to the resolution, and in many parts of the world — to speak frankly — resolutions are ignored. This is why I voted for the motion for a resolution in the committee, and I shall do the same today, for we should pass up no opportunity of speaking out for humanity and against what offends us.

Clearly, if the resolution were aimed at the Soviet Union alone, I would feel that its scope was too narrow. For the problem is not confined to the Soviet Union, and I therefore especially welcome the clause which we inserted to the effect that we condemn 'all kinds of psychiatric treatment of political prisoners wherever it may occur.' A number of other countries are involved here as well as the Soviet Union.

## Seefeld

Considering the matter is this light, I should like to say that we are all bound to take seriously the statement by Amnesty International a few weeks ago that they had evidence of torture carried out in an incredible 60 countries over the last decade, and that last year alone, i.e. 1976, 40 countries could be named where torture was carried out. They included Chile, Brazil, Argentina, Uganda and Guinea, Spain and Iran and the Soviet Union. It is towards these countries, and the others, that we must direct our efforts. The Belgrade follow-up Conference is one opportunity for doing so. I should like to quote here my colleague, Mr Broeksz, who stated that the real confrontation would have to take place in Belgrade, as countries represented there had given specific undertakings at the CSCE talks and at the Helsinki Conference.

I am sure that Mr Broeksz did not mean that we should not concern ourselves with this problem, but rather that the proper place for it to be dealt with seriously was in fact the follow-up Conference. I therefore welcome paragraph 2 of the motion for a resolution in which we point out that the condemnation can most effectively be put forward at the present Belgrade follow-up Conference.

I should like to conclude by saying that we must together make an appeal to all those involved, and we must not be partisan in doing so. Wherever in the world the problem arises, we must say what we think and in adopting this motion for a resolution, make the voice of the European Parliament heard, in the hope that the governments of our nine States will give this subject due attention at the Belgrade Conference.

*(Applause)*

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Mr President, I did put my name down to speak on this yesterday, but I think I have now the most difficult position in this debate, because we have had the benefit of hearing quite a forthright speech, which is not unlike him, from my colleague, Mr Daylell, in contradiction to what I thought was a most admirable presentation by Mr Johnston. I would like to say also how much I appreciate the work done by Lord Bethell in a matter in which I take a great interest myself.

I am particularly interested in asking this Parliament to condemn the use of psychiatric treatment for political prisoners. I am quite willing to agree that everything in our own garden is not by any means lovely. I would not be adverse to an investigation into mental institutions in the United Kingdom, nor to this Parliament's having a look at the position in Northern Ireland. I am not, in any sense, trying to single out one country, but I do single out that part of this resolution as being the most important part of it.

We seek to condemn all kinds of psychiatric treatment of political prisoners. Political prisoners, merely because they are political prisoners, do not need

psychiatric treatment; insane people need psychiatric treatment. If I might refer again to the United Kingdom's penal institutions for the insane, I have a great deal of experience of them, having once been engaged in making my living in the criminal courts of Scotland. I visited these institutions regularly on behalf of prisoners. My complaint there was that the insane prisoners, adjudged insane by the methods best known to us, did not get any psychiatric treatment at all. In other words, it was the opposite complaint in this case. Here, however, we have non-insane people getting psychiatric treatment, and that is, I think, the unusual thing to emerge from the clear evidence we have of what is happening in the Soviet Union. Other abuses are certainly occurring in the United Kingdom, but not the same abuses, and I think that here I must part company with Mr Dalyell.

We cannot all examine personally evidence on an international matter. There is a point at which we have to read reports of Amnesty International, and if we know the personnel of Amnesty who make these reports, we can then judge whether we can read these reports with some confidence. We have to take seriously those people who have, at first hand, taken statements from people we believe to be honest, who had the good fortune to be released from such an intolerable situation. One cannot always, though perhaps it would be desirable, be one's own investigating magistrate in a matter concerning international human rights, and there, I think, Mr Dalyell is oversimplifying the case. So I would certainly go a long way with this resolution: I would support it, in fact.

I think there is evidence that this is happening in the Soviet Union. I am not ashamed to say, therefore, that I am asking the Nine, who speak for me at the continuing conference in Belgrade, to listen to the voice of this Parliament, and I do not think any Member of Parliament needs to apologize for passing a resolution to suggest how our Ministers who represent us should behave at an international conference. I think, indeed, that is what Parliaments have always done. I do not hold ministers or governments to be infallible. I think that they are there to be advised by elected people like ourselves, and I certainly think that they would welcome a strong statement from this Parliament to the effect that we wish them to hold firm where human rights are concerned and to make sure that this particular aspect of human rights, the use of psychiatric treatment, is one of the matters brought up. I am sure their hands will be strengthened and assisted in their representations on our behalf.

I also think this is a suitable time for this to be raised, because evidence suggests that the Soviet Union is sensitive at the present time to international opinion on the question of human rights, to such an extent that, in quite a number of cases where international agencies have issued condemnations, people have actually been released, apparently as a direct consequence

Ewing

of these international voices. Now, one of the advantages of the Nine — and, of course, you know from my speech yesterday on fishing that I think there are certain disadvantages — is that when it comes to speaking on international matters, you have a possibility of one voice representing nine States, and that is a voice that people must listen to on the international scene, when it issues a condemnation on matters pertaining to human rights. I think it is appropriate, therefore, that it should come at this time, when the Soviet Union is showing such sensitivity. I think it is appropriate because the Belgrade conference is continuing and, although we know human rights is the subject of one of the subcommittees, we are not certain that this matter will be brought up unless we in this Parliament ask that this be done. In any event, I think that it is right and proper that we do bring it up, because I think that is part of the function of this Parliament.

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

**Lord St. Oswald.** — Mr President, I rise very briefly indeed — I had no intention of doing so before this debate started — to record the sorrow which Mr Dalyell's words have caused me today, mainly because of the affection and esteem in which I hold him. I will only pick out one remark he made, which is totally astonishing and misleading. He said that we in this Parliament had not the right to criticize Mother Russia for the way she treated her citizens. Now, this is to identify the great Russian people with the people who at present govern them. They are totally, totally distinct. One is a small nucleus of evil, vicious men and women victimizing the great Russian people, and to identify the two is misleading and a travesty of the truth.

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, I should like to state my position briefly. First of all, I recall the debate on human rights in this House in January. At the end of a debate which went to the roots of the matter we agreed that the need to respect human rights was indivisible and applied in every part of the globe. We agreed to take up infringements of human rights and to take action against them, every time and everywhere they occur. I feel that today's debate should be seen against this background of general agreement on these principles, and shows once again this House's commitment to the struggle. We have dealt today with a particularly atrocious and deeply disturbing chapter, the abuse of psychiatry as a means of infringing human rights. I think that there again we are unanimous in our condemnation.

As to advice and instructions to the representatives of the Community and the Member States in Belgrade:

from the first, the Community has given high priority at the Conference to questions of the observance of human rights. Many statements have been made by the Presidents-in-Office and by the representatives of the Member States, making clear not only the importance which we attach to this question, but also that breaches of the Final Act of the Helsinki Conference in these matters too will be regarded as an obstacle to the process of détente in Europe. You may be sure that the Member States of the Community acting in permanent cooperation in Belgrade will not deviate from these guidelines and we shall, of course, as part of our task of coordination, ensure that today's debate and its result is suitably and fully reported to Belgrade.

(Applause)

**President.** — I call Mr Johnston.

**Mr Johnston** — I would like, Mr President, briefly to respond to the various speeches that have been made. In the first place I would like to say to Mr Broeks, who spoke on behalf of the Socialist Group, that I entirely agree with everything that he has said. In fact, had the Political Affairs Committee felt that this was a matter upon which it was necessary to develop a long and well-substantiated case, the report before you and the explanatory statement would have been much longer. Therefore, if any others in this Assembly criticized the view expressed officially on behalf of the Socialist Group by Mr Broeks, I certainly do not. Indeed, I think that what he says represents the unanimity of this Parliament across all the political groups in its approach to this matter. I would also thank Hans Müller, who spoke so effectively on behalf of the Christian Democrats, and Lord Bethell who spoke for the Conservative Group.

I am really not quite sure why Tam Dalyell chose to make the contribution that he did. It is rather strange, sad and out of character, I felt. He asked a specific question. I suppose rapporteurs in this Parliament are not traditionally supposed to be opinionated people; but of course we are all opinionated people really. Tam Dalyell asked a crucial question, which really is a fundamental question: is it the business of this Parliament to lecture Mother Russia on how she treats her nationals? The answer to that is, 'yes, it is'. Is it the business of this Parliament to lecture the Government of South Africa on the way it treats its citizens? Yes, it is. In Northern Ireland, or wherever you like, it is the business of this Parliament to involve itself, commit itself and do what it can, wherever it can, for the preservation of human rights. I think that, with all due respect to Tam Dalyell, it is wrong to say, as he said, that 'there are two sides to the story; we really have to have some evidence'. There is a multitude of evidence. I would also congratulate Mr Seefeld on the wise remarks he made and Mrs Ewing on her contribution, which I agreed with entirely.

## Johnston

I said I would not quote from Leonid Plyushch, but I think a couple of short quotations at the conclusion of this debate might well be appropriate, particularly to bring out one point which, I think, the members of the Political Affairs Committee felt was extremely relevant in the light of Belgrade, which is, after all, what we are talking about. At the press conference he gave when he came from the USSR in 1976, he referred to his treatment in the hospital which Lord Bethell mentioned — at Dnepropetrovsk — where he underwent treatment by neuroleptics, haloperidol and trypsin and courses of insulin. He said:

The horror of a madhouse gripped me from the start. In the ward there were more patients than beds. I was put as the third person on two bunks that had been pushed together. On the beds patients were suffering from haloperidol. One man's tongue was lolling out. Another man was rolling his eyes. A third walked unnaturally bent over. Some lay and groaned with pain. They had been given injections of sulphur. As they explained to me, they were being punished for bad behaviour.

What conclusion does he come to at the end of his press conference? He says:

Being a Communist by conviction, I would like to address myself to Communists in the West. When I was at the special mental hospital, I found that among those fighting for my release were French and Italian Communists. I did not think that this would help me personally. It was the fact that they were taking part which made me glad. For me it meant that these Communists were fighting for humane Socialism. We Soviet neo-Marxists have always hoped that the Italian, French and English Communist Parties would carry on the work of the Czechoslovak Communist Party and rehabilitate Communist ideals. I hope that these parties will take an active part in the struggle to find a way out of the deadlock in which all mankind now finds itself — in socialist and capitalist countries alike.

When talking about this matter, one should not engage in purely ideological terminology. After all, at Belgrade we are trying to break down ideological barriers. Nor should that in any way whatever inhibit us from condemning forthrightly and outrightly any such outrages as may be brought to our Parliament's attention.

*(Applause)*

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — Mr President, as an explanation of my vote against, there are just two points. I am charged with the fact that some of my Socialist colleagues have agreed to this resolution. I wonder whether, if they had heard the speeches of introduction and the subsequent speeches of this debate, they would have been quite so happy to go along with all that has been said. I am referring to Lord Brimelow, Mr Evans, Mr Fellermaier, Mr Hansen and Mr Mitchell — Mr Seefeld is here, Would Lord Brimelow have accepted Lord Bethell *in toto*? It is one thing to agree to a reso-

lution; it is quite another thing, in one's absence, to go along with a resolution in the context of a debate; after all, we have to see it in the context of a debate.

The answer to that may be 'yes', because I do not presume to speak for my colleagues on this matter. It would be deeply wrong to do so. I just wonder, when they read this debate, if some of those colleagues of mine in the Socialist Group, one and all of whom I respect greatly, will quite go along with all that has been said. They may or they may not, but I do not think we should assume automatically that they would underwrite what has been said.

Secondly, I hope my colleagues will acquit me of being unconcerned with human rights. I am concerned with human rights, no more and no less than any other colleague. I would like to point out that in my constituency business I have had occasion — in the last year — to consider, at some length, personal cases with the Soviet authorities over relatives of individual constituents. I find that when one does not trumpet things abroad, when one does not go to the press and make great acrimonious issues, in personal cases Mr Lunkov and his staff at the Russian Embassy in London have been wholly helpful. I would like to record that fact.

*(Laughter and exclamations from the European Conservative Group)*

I am sorry, this is a fact of life. I am entitled to say this. *(Interruption.)*

All right, Lord Bethell says it is not. Who elected Lord Bethell to anything?

**Lord Bethell.** — Who elected you to come here?

**Mr Dalyell.** — I am sorry, I was elected by the people of West Lothian to the Westminster Parliament, and I am entitled to report to the European Parliament an individual constituency case.

If I am interrupted, I must reply along those lines. I am just reporting facts. You can interpret them as you wish. I am not going to be taunted by a Member of the House of Lords — thank you very much — and be told that I should not raise my personal constituency cases!

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

#### 6. Regulations on preserved sardines from Morocco and Tunisia

**President.** — The next item is the report (Doc. 358/77) by Mr Pucci, on behalf of the Committee on External Economic Relations, on the

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

- I. a regulation opening, allocating and providing for the administration of a Community tariff quota for prepared or preserved sardines falling within sub-

heading 16.04 D of the Common Customs Tariff and originating in Morocco (1978)

- II. a regulation opening, allocating and providing for the administration of a Community tariff quota for prepared or preserved sardines falling within sub-heading 16.04 D of the Common Customs Tariff and originating in Tunisia (1978).

I call Mr Pucci.

Mr Pucci, *rapporteur*. — (I) Mr President, the subject on which I am about to speak certainly does not arouse the same political interest as the one we have just been discussing. The proposals concern the details of the Agreements signed in April 1976 between the EEC and Tunisia and Morocco.

These Agreements contained a clause to the effect that prepared and preserved sardines may be imported into the Community free of customs duties, provided minimum prices were observed. This clause was subject to an exchange of letters between the two contracting parties. This exchange of letters did not take place because Morocco and Tunisia requested the extension of the minimum price system to the other Community suppliers, in particular Spain. The two principal suppliers were Spain and Portugal; Portugal has adopted minimum prices. Spain has not yet agreed to adopt them. This means that at the end of the transitional period during which in some Community countries imports of sardines were exempt from customs duties, it became necessary to introduce at least transitional Community arrangements from 1 January 1978. It was proposed that during this transitional period all customs duties be suspended on a quota of 14 000 tonnes for Morocco and 100 tonnes for Tunisia. In addition to these quantities 6 000 tonnes may be imported at a reduced duty of 10 %. The quotas take into account the average quantities imported by the Community countries in previous years. They should not, however, cause disturbance to the market, even though France and Italy may suffer some disadvantages until the minimum prices provided for in the agreement are applied.

I would also like to propose, on behalf of the Christian Democratic Group, that the Assembly approve the Commission's proposal, hoping that the exchange of letters on the minimum prices will be carried out as soon as possible, so that this part of the Agreement which has remained in abeyance may be applied.

President. — The debate is closed.

#### 7. Regulation on imports of certain agricultural products from Turkey

President. — The next item is the report (Doc. 353/77) by Mr Spicer, 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 1180/77 of 17 May 1977 on imports into the Community of certain agricultural products originating in Turkey.

I call Mr Spicer.

Mr Spicer, *rapporteur*. — Mr President, I hope I can follow Mr Pucci by being equally brief in dealing with what is, in itself, a relatively unimportant matter. The proposals from the Commission and our report deal with one specific thing, and that is an increase in the reduction of tariff levels for oranges, mandarins, tangerines and other associated fruit — I always wonder what 'other associated fruit' really does mean — from 60 % to 80 %.

It is a very minor matter as far as the Community is concerned. Turkish exports to the Community only comprise 60.06 % of the total imports, and therefore it is relatively unimportant. It has been made quite clear, from the beginning, that it has no effect on the income of our own citrus fruit growth, but it is important from Turkey's point of view.

I hope that the Commissioner will not mind if I say that those of us who are closely associated with Turkey are increasingly concerned at the way that Turkey is lumped with all the other people with whom we have agreements. Over the years there has been an erosion of Turkey's position particularly under her Association Agreement. Turkey, with Greece, was, after all, an original association member. I can remember some two-and-a-half to three years ago, when the previous Commissioner, Sir Christopher Soames, meeting with the EEC-Turkey Joint Parliamentary Committee, made it quite clear that he was well aware of that erosion, and that he would take it into account and try to restore the balance in favour of Turkey. I do not know whether that restoration has yet taken place, but there could not be a more appropriate time, because Turkey's present economic situation is very serious indeed. This, as I said, is a very small matter, but at least it will help, in some measure, in restoring the faith of the Turkish people in their Association Agreement with the European Community.

I can only hope that in other areas which we shall be discussing in the near future — the new arrangements for textiles and so on — we will again accept that Turkey is not Taiwan. Turkey is not like the other peoples outside the Community who have no Association Agreement with us. We ignore the current flow of feeling in Turkey at our peril. Two years or even one year ago one could have said that 80 % of the Turkish people were in favour of the links with the Community and wished to see those links firmly established, ultimately leading to membership of the Community; that figure has fallen dramatically in the last year. Those of us who long to see those links strengthened must be very concerned that we are



**Spicer**

facing a situation where public opinion in Turkey is turning against the Community.

This report has the support of the Committee on Agriculture, it has the support of the Committee on Budgets, and the wholehearted support of my own Committee on External Economic Relations. Certainly, I have no hesitation in placing it before the House. Equally, I have no hesitation in making the other remarks, which are in a much broader framework, as this is the only opportunity I shall have before we move into a crucial period of negotiations with Turkey.

I hope the Commissioner and this House will recognize that we face a serious situation with Turkey. There must be the greatest possible understanding for her difficulties: if not, I fear for the consequences. I recommend this report to the Parliament.

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, I should simply like to thank you for this report and the motion for a resolution, and to take note of its positive suggestions. I should like to comment on some of the general remarks which have been made here. I share the concern which has been expressed and wish to point out that we have recently taken steps to intensify our conversations and joint discussions, in order to improve the situation. The most recent occasion was a visit by Mr Inan, a Turkish Minister, who is known to this House through his work on the Joint Parliamentary Committee of the EEC — Turkey Association, of which he is co-chairman. With the help of Mr Inan's intimate knowledge of the cooperation between Turkey and the Community, we were able to ascertain a number of areas where progress is being made, in financial as well as general economic matters, that is to say, in all those questions where the Association Agreement provides the basis for further development.

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

#### 8. Directive on agricultural or forestry tractors

**President.** — The next item is the report (Doc. 356/77) by Mr Herbert, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the

proposal from the Commission of the European Communities to the Council for a directive on the approximation of the laws of the Member States relating to the driver's seat on wheeled agricultural or forestry tractors.

I call Mr Herbert.

**Mr Herbert, rapporteur.** — Mr President, I, like the other speakers introducing their reports, can indeed be very brief. The Committee on Regional Policy, Regional Planning and Transport originally thought

that this report could be taken without debate, but when we looked into the matter this proved impossible, because it has always been the view of the committee and indeed of the Parliament that proposals of this nature require amendment to ensure that the harmonization requested should be mandatory rather than permissive. That is to say that where questions of health and safety are concerned the harmonization of technical components of motor vehicles should ultimately be carried to compulsory minimum levels throughout the Community. By now this is virtually a standing amendment that we make, and I see no reason why this amendment should not be made on this occasion.

The only other comment I have to make is that the opinion of the Committee on Economic and Monetary Affairs recalls the need to simplify the procedure for technical proposals of this nature by having an outline directive for such harmonization, the details of which can be implemented without the necessity of taking up either the Council's or the Parliament's time.

Mr President, subject to these few comments, I would ask the House to accept this motion for a resolution and to endorse the modest amendment which we propose.

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, what is being proposed here is that the Commission's proposal for optional harmonization be rejected in favour of mandatory harmonization. The Commission fully understands the desire to reiterate this principle, and for rapid progress towards full harmonization. But the problem is to find a practical way of achieving the most rapid progress, and this is why we stand by our view, for permissive harmonization will certainly be easier to guide through the discussions and resolutions of the Council, and will therefore achieve more in practice.

My second point is that in this particular case there must be room for exceptions. We are dealing here with specially designed components, frequently for agricultural vehicles, frequently manufactured by small and medium-sized specialist firms, and an inflexible system could produce difficulties. I repeat that we are in full agreement on the principles, but are simply concerned to find the best way to make real progress.

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

#### 9. Regulation on the staff of the Centre for Industrial Development

**President.** — The next item is the report (Doc. 321/77) by Mr Würtz, on behalf of the Committee on Budgets, on the

proposal from the Commission of the European Communities to the Council for a regulation on the application of the Decision of the ACP/EEC Council of Ministers on the arrangements applicable to the staff of the Centre for Industrial Development as regards taxation, social security and jurisdiction.

I call Lord Bruce of Donington.

**Lord Bruce of Donington, *deputy rapporteur*.** — Mr President, on behalf of the Committee on Budgets, I commend the attention of Parliament to Doc. 321/77, which comprises a report drawn up on behalf of the Committee on Budgets. It will be noted that the report itself incorporates a minor amendment to a regulation that has been proposed in this case. This deals with a limited aspect only, affecting an organization called the Centre for Industrial Development, which at the moment has a staff of some 15 persons.

The Centre for Industrial Development was set up under the Lomé Convention, and its purpose, as I understand it, is to advise the various countries which are signatories to the Lomé Convention on industrial and other projects within their territories, to make recommendations on the suitability of various projects, and, on the other hand, to act as a liaison body to attract or to discuss matters with various private firms or even governments which may have an interest in investing in these countries. It therefore serves a dual purpose.

When this office first came to the attention of the Committee on Budgets, we did rather feel that we ought to have been consulted prior to its being set up at all. The Committee on Budgets, which represents Parliament in these matters, though with the final say obviously with Parliament, does not take too kindly to the proliferation of various types of outside organizations, however closely they may work with the Commission and Council and however closely they may work with some of the subsidiary conventions that are formed, in particular the Lomé Convention. We repeat, we do not like the proliferation of outside organizations of this kind, much as we value the undoubtedly creative and indeed necessary work that they undertake. We are bound to say that at a time when industrial growth in Europe remains at a very low level, the greatest growth of all is the proliferation of committees and outside bodies.

We examined these proposals on their merits. There are some fifteen staff members involved, and it is proposed that they be subject to the normal social-security provisions obtaining in the State of Belgium. There can be no objection whatever to this. We entirely agree with the proposal that if they are to be subject, as indeed they must, to some kind of social-security provisions from which they are entitled in due course to derive some benefit, one State has to be named for this purpose within the Nine, and we agree that Belgium should be the State.

We then come to the provisions regarding taxation. Here it is proposed, we find, that these fifteen officials be subject to taxation in accordance with the provisions laid down for the European Economic Community. This is indeed felicitous, because it is a matter of common knowledge that the rate of taxation levied by the Community on its servants tends to be slightly less exorbitant than those commonly imposed by Member States. We have no desire to inflict any extra hardship upon these individuals, and therefore we concur with that provision.

It also provides, however, that the tax levied on the salaries and emoluments of these civil servants shall be placed to the credit of the vote itself — in other words, that the money comes back again into funding. We do not very much like that provision, because it means that in effect the money is out of Parliament's control. It is a source of revenue over which Parliament can exert no really effective scrutiny. While, therefore, we do not intend to move an amendment to this effect, and indeed it is very doubtful whether we have the authority to do so, we hope that the Commission will take note of the express wish of the Committee on Budgets in this matter that the tax so levied should not go back under the title, but should in fact be transferred to the European Development Fund. This would then enable rather more effective scrutiny to be exercised.

The Lomé Convention itself expires, as I understand it, in 1980. There can be no doubt, in view of the fact that the Lomé Convention itself was one of the most constructive and imaginative jobs taken on by the Community, that it will be renewed. So be it. We see no reason, therefore, why the existing regulation should last longer than the existing Convention. This would then enable the whole matter to be reviewed and the regulation to be reviewed when the new Convention is signed. It is with that in mind that we have proposed an amendment to Article 1 of the regulation, which Parliament will find reproduced on page 8 of Document 321, to the effect that the regulation shall remain in force only until the expiry of the present Lomé Convention.

Mr President, I have no desire on behalf of the Committee on Budgets to complicate the position further. I think I have given the main features. In general, therefore, while the Committee on Budgets does not like the proliferation of outside organizations of this kind, it recognizes the purpose for which they exist. It approves in general terms the regulation which is before Parliament, subject only to the amendment that I have suggested. In that sense, on behalf of the Committee on Budgets and on behalf of my colleague Mr Würtz, who unfortunately cannot be present this morning, I commend the resolution to the House.

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, in the first place I should simply like to express my thanks for the interest shown in this question; and in the second place to say that we shall adopt and accept this amendment.

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

10. *Simplification of customs procedures*

**President.** — The next item is a vote without debate on the report (Doc. 376/77) by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, on the simplification of customs procedures, customs legislation and institutional methods for dealing with customs matters.

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

The resolution is adopted.

11. *Regulation and decision on the financing of food aid (Vote)*

**President.** — The next item is the vote on motions for resolutions on which the debate has closed.

I put to the vote the motion for a resolution contained in the report by Mr Aigner (Doc. 382/77).

The resolution is adopted.

12. *Regulation on the carriage of goods by road (Vote)*

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Giraud (Doc. 380/77).

The resolution is adopted.

13. *Unfreezing of appropriations (Vote)*

**President.** — I put to the vote the motion for a resolution contained in the report by Lord Bruce of Donington (Doc. 388/77).

The resolution is adopted.

14. *Additional protocol to the EEC/Malta Agreement (Vote)*

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Bersani (Doc. 378/77).

The resolution is adopted.

15. *Psychiatric medicine in the Soviet Union (Vote)*

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Johnston (Doc. 373/77).

The resolution is adopted.

16. *Regulations on preserved sardines from Morocco and Tunisia (Vote)*

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Pucci (Doc. 358/77).

The resolution is adopted.

17. *Regulation on imports of certain agricultural products from Turkey (Vote)*

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Spicer (Doc. 353/77).

The resolution is adopted.

18. *Directive on agricultural or forestry tractors (Vote)*

**President.** — I put to the vote the report by Mr Herbert (Doc. 356/77).

The resolution is adopted.

19. *Regulation on the staff of the Centre for Industrial Development (Vote)*

**President.** — I put to the vote the motion for a resolution contained in the report by Mr Würtz (Doc. 321/77).

The resolution is adopted.

20. *Dates of the next part-session*

**President.** — There are no further items on the agenda. I should like to thank the representatives of the Council and the Commission for their contributions to our proceedings.

The enlarged Bureau proposes that Parliament should hold its next sittings from 12 to 16 December in Strasbourg.

Are there any objections?

That is agreed.

*21. Approval of the minutes*

**President.** — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament for its approval the minutes of proceedings of this sitting which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

*22. Adjournment of the session*

**President.** — I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting was closed at 10.40 a.m.)*