

Annex

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1979-1980 Session

Report of Proceedings

from 7 to 11 May 1979

European Centre, Luxembourg

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

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IN THE CHAIR : Mr COLOMBO

*President*

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

**President.** — The sitting is open.

1. *Resumption of the session*

**President.** — I declare resumed the session of the European Parliament adjourned on 27 April 1979.

2. *Documents received*

**President.** — Since the adjournment of the session I have received :

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

- the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 154/75 as regards the financing of the register of olive cultivation (Doc. 133/79)

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

- the list of requests for the carry-over of appropriations from the 1978 to the 1979 financial year (non-automatic carry-overs) (Doc. 135/79)

which has been referred to the Committee on Budgets ;

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

- I. a regulation amending Council Regulations (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community
- II. a regulation amending the Annexes to Regulations (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community (Doc. 137/79)

which has been referred to the Committee on Social Affairs, Employment and Education ;

- the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of Community tariff quotas for certain wines having a registered designation of origin, falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Tunisia (1979/80) (Doc. 138/79)

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 Development and Cooperation for their opinions ;

- the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for fresh or chilled tomatoes falling within subheading ex 07.01 M of the Common Customs Tariff, originating in the African, Caribbean and Pacific States and in the overseas countries and territories (1979/80) (Doc. 139/79)

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

- the proposal from the Commission of the European Communities to the Council for a directive amending for the second time Directive 74/329/EEC on the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs (Doc. 143/79)

which has been referred to the Committee on the Environment, Public Health and Consumer Protection ;

- the proposal from the Commission of the European Communities to the Council for a regulation laying down, in respect of hops, the amount of the aid to producers for the 1978 harvest (Doc. 144/78)

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

- the proposal from the Commission of the European Communities to the Council for a regulation temporarily and partially suspending the autonomous common customs tariff duties on certain types of fish (Doc. 145/79)

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 ;

(b) from the Parliamentary Committees, the following reports :

- report by Mr Nielsen on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 46/79) for a regulation on investment aid for the marketing and processing of milk products (Doc. 127/79) ;
- report by Mr Caillavet on behalf of the Committee on Agriculture on the conclusions to be drawn from the seminar held by the Committee on Agriculture at Echternach (Doc. 128/79) ;
- report by Mr Brugger on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 620/78) for a directive establishing measures for the implementation of Directive 77/489/EEC on the protection of animals during international transport (Doc. 129/79) ;

## President

- report by Mr Lemp on behalf of the Committee on Agriculture on the proposals from the Commission of the European Communities to the Council (Doc. 26/79) for
    - I. a regulation allocating catch quotas between Member States for vessels fishing in Faroese waters
    - II. a regulation allocating certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone
    - III. a regulation allocating catch quotas between Member States for vessels fishing in Swedish waters
    - IV. a regulation laying down for the period 1 January to 31 December 1979 certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Isles
    - V. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Spain for the period 1 January to 31 December 1979 (Doc. 130/79);
  - report by Mr Kasperet on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council (Doc. 14/79) for a regulation opening, allocating and providing for the administration of a Community tariff quota for fresh table grapes falling within subheading ex 08.04 A I (a) and (b) of the Common Customs Tariff, originating in Cyprus (Doc. 131/79);
  - report by Mr Zagari on behalf of the Political Affairs Committee on the respect of human rights in Ethiopia (Doc. 132/79);
  - report by Mr Schmidt on behalf of the Legal Affairs Committee on the proposal from the Commission of the European Communities to the Council (Doc. 187/72) for a fifth directive to coordinate the safeguards which, for the protection of the interests of Members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, as regards the structure of *sociétés anonymes* and the powers and obligations of their organs (Doc. 136/79);
  - report by Mr Fuchs on behalf of the Committee on Regional Policy, Regional Planning and Transport on possible measures to improve the situation in the inland waterways sector (Doc. 146/79);
  - report by Mr Albers on behalf of the Committee on Social Affairs, Employment and Education on the communication from the Commission of the European Communities to the Council on the improvement of relations with the social partners in the context of the Tripartite Conferences (Doc. 147/79);
  - report by Mr Pisoni on behalf of the Committee on Social Affairs, Employment and Education on the proposals from the Commission of the European Communities to the Council (Doc. 137/79) for :
    - I. a regulation amending Council Regulations (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community
    - II. a regulation amending the Annexes to Regulations (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community (Doc. 148/79);
  - report by Mr van der Gun, on behalf of the Committee on Social Affairs, Employment and Education, on actions in the educational field specifically to promote contacts between the citizens of the Community (Doc. 149/79);
  - report by Mr Caro, on behalf of the Committee on Social Affairs, Employment and Education, on the activities of the European Youth Forum (Doc. 151/79);
- (c) the following oral questions with debate :
- by Mr Fellermaier, on behalf of the Socialist Group, to the Council on employment policy (Doc. 125/79);
  - by Mr Fellermaier, Mr Pisani and Mr Lange on behalf of the Socialist Group to the Commission on employment policy (Doc. 126/79);
  - by Mr van der Gun on behalf of the Committee on Social Affairs, Employment and Education to the Commission on preparations for the meeting of the Council of Ministers of Social Affairs and Labour on 15 May 1979 (Doc. 141/79);
- (d) the following oral question without debate :
- by Mrs Squarcialupi to the Commission on discrimination in France against migrant women (Doc. 124/79);
- (e) for *Question Time* on 8, 9 and 10 May 1979 (Doc. 142/79), pursuant to Rule 47A of the Rules of Procedure, oral questions by Mr Fitch, Sir Geoffrey de Freitas, Mrs Dahlerup, Mr Seefeld, Lord Kennet, Lord Bethel, Lord St Oswald, Mr Howell, Mrs Ewing, Mr Osborn, Mr Kavanagh, Mr Herbert, Mr Noè, Mr Schyns, Mr Dondelinger, Mr McDonald, Lord Bessborough, Mr Radoux, Mr Howell, Mrs Ewing, Mr Osborn, Mr Kavanagh, Lord Bessborough and Mrs Ewing;
- (f) from the Commission :
- 27 April 1979
- a request for an opinion on the proposal for a transfer of appropriations between chapters in Section III — Commission — of the General Budget for the European Communities for the financial year 1979 (Doc. 134/79)
- which has been referred to the Committee on Budgets ;

**President**

2 May 1979

- a request for an opinion on the proposal for a transfer of appropriations between chapters in Section III — Commission — of the General Budget for the European Communities for the financial year 1979 (Doc. 140/79)

which has been referred to the Committee on Budgets ;

4 May 1979

- a request for an opinion on the proposal for a transfer of appropriations between chapters in Section V — Court of Auditors — of the General Budget for the European Communities for the financial year 1979 (Doc. 152/79)

which has been referred to the Committee on Budgets ;

Since the proposed transfers concern expenditure not necessarily resulting from the Treaties, I have consulted the Council on behalf of Parliament in accordance with the provisions of the Financial Regulation ;

- the Twelfth General Report on the activities of the European Communities in 1978 : Eighth report on competition policy (Doc. 150/79) which has been referred to the Committee on Economic and Monetary Affairs ,

- a report on the financial situation of the Communities at 31 December 1978 (Doc. 153/79)

which has been referred to the Committee on Budgets.

### 3. Urgent procedure

**President.** — I have received with request for urgent debate pursuant to Rule 14 of the Rules of Procedure :

- a motion for a resolution by Mr Fellermaier and Mr Pisani, on behalf of the Socialist Group, on the review of the common agricultural policy (Doc. 155/79) ;
- an oral question with debate by Mr Van der Gun, on behalf of the Committee on Social Affairs, Employment and Education, to the Commission, on preparations for the meeting of the Council of Ministers of Social Affairs and Labour on 15 May 1979 (Doc. 141/79).

The reasons supporting these requests are set out in the documents.

I have received from the Council a request for urgent debate on

- the proposal from the Commission to the Council for a directive amending for the second time Directive 74/329/EEC on the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs (Doc. 143/79).

The Council gives as its reasons for requesting urgent debate the fact that the regulation expires on 1 July and must be therefore renewed.

I shall consult Parliament on this request at the beginning of tomorrow's sitting.

### 4. Order of business

**President.** — At its meeting of 27 April 1979 the European Parliament adopted, pursuant to Rule 19 of the Rules of Procedure, on the basis of a proposal drawn up by the enlarged Bureau at its meeting of 25 April 1979, the draft agenda for the present part-session.

I would remind the House that under this rule the agenda, once approved, cannot be amended except by application of Rule 14, on urgent procedure and Rule 32 on procedural motions or on a proposal from the President.

Availing myself of the powers conferred upon me by Rule 12 of the Rules of Procedure I propose that the following items be added to the agenda :

— *Sitting of Wednesday, 9 May :*

After the Zagari report (Doc. 132/79), a statement by the Commission on the Harrisburg accident.

— *Sitting of Thursday, 10 May :*

At the end of the agenda :

- Albers report on relations with the social partners in the context of the Tripartite Conferences

- Caro report on the activities of the European Youth Forum

- Bruce report on the discharge for the 1977 financial year

- Shaw report on non-automatic carry-forwards of appropriations from 1978-1979

- report on own-resources (the Committee on Budgets will decide on this report at its meeting that afternoon)

- report on imports of adult bovine animals from Yugoslavia (the Committee on External Economic Relations will decide on this report at its meeting on Tuesday)

— *Sitting of Friday, 11 May :*

At the end of the agenda :

- Van der Gun report on contacts between Community citizens

- Pisoni report on social security for workers (without debate)

- oral question without debate on the teaching of languages in the Community.

These amendments take into account the requests which have been made.

I call Mr Notenboom.

**Mr Notenboom.** — (NL) Mr President, on behalf of the Christian-Democratic Group I would like to tell you that we do not find it right that the very important report by Mr Schmidt on behalf of the Legal Affairs Committee should only be debated on Friday. We know how it is with Fridays in Parliament : too

## Notenboom

much haste and too few Members. But these are important problems of co-determination. We do not believe that this is a Friday report although we do very well understand the Bureau's agenda problems. We would, however, like to try to obtain mutual agreement among the groups that this report should be debated tomorrow or Wednesday with a large attendance in the House which will ensure that it is given much greater attention. Should it not be possible to reach agreement here, something which I would regret, our chairman, who is not able, to his regret, to be here for a few hours, will attempt to raise this point once again in the Bureau to see whether it can be taken on Thursday, but we would prefer it to be debated tomorrow or on Wednesday.

**President.** — I call Lord Castle.

**Lord Castle.** — Mr President, I was disappointed that you made no mention of a report for which I am responsible and which has been assigned a place on Friday. Of course I have the usual objections of people whose reports have been assigned to a Friday; those have already been mentioned; but in this case, sir, I am responsible for a report on New Zealand, and a great deal of time has been spent not only by the committee but by myself and officials in compiling a pretty comprehensive report. I now find that instead of having it on the Wednesday when, I was originally informed, it would be taken, it is to be taken on the Friday. It is impossible for me to be present on the Friday morning. I shall very much regret it. I am not the only person interested in New Zealand, and I am sure other people can make themselves responsible for the report, but I would have liked to have the opportunity of putting my own point of view. I have, however, got myself somehow entangled in direct election — not for myself (*Laughter*) — but to be of general help to people in my group and I cannot extricate myself from that obligation. So I would be glad if sympathetic consideration be given to my request that it be taken on another day.

**President.** — I call Lord Bruce.

**Lord Bruce of Donington.** — Mr President, I well understand the very difficult position in which the Bureau and yourself must be placed in arranging the business for this, the last part-session before direct elections. Nevertheless, Sir, I would draw your attention to a most important item which, as I at present understand it, you wish to leave to the end of the Thursday sitting. In this I speak with the full support of my chairman, Mr Lange, who is unable to be here for the moment because of other urgent business, and I would therefore invite your consideration for the report which will be considered tonight by the Committee on Budgets on the discharge of the 1977 income and expenditure accounts.

Mr President, this, as it will emerge, raises questions of very great importance affecting the rights of Parliament and the rights of Members of Parliament, and I would respectfully suggest to you that this item — not so much the report as the item itself — being of such cardinal importance to the rights of Members of this House and the rights and powers of Parliament, ought to be discussed either on Wednesday or very early on Thursday, because when the rights of Parliament are in question it is desirable, and I am sure you will agree, Sir, that the maximum number of Members are present to defend their rights.

**President.** — The proposals I intended putting to the House included that of entering Lord Bruce's report on the discharge for the 1977 financial year on the agenda for Thursday, 10 May. I think that it could be entered at the end of the agenda for that sitting. Do you agree, Lord Bruce?

**Lord Bruce of Donington.** — Well, Mr President, I myself have been present late on Thursday nights on a number of occasions over these last 4 years, and I am well aware of the degree of interest that items very late on the agenda, conflicting as they do with the time when one normally takes refreshment, provoke and the effect they have on the attendance of this House.

Now in some instances this is tolerable when items of not quite so considerable importance are under discussion. But as I shall submit, the whole question of the 1977 accounts, particularly of the Commission, raises matters of such fundamental importance to every Member of this House, and to the House as a whole, that some degree of priority ought, in fact, to be accorded to it.

**President.** — I call Mr Broeksz.

**Mr Broeksz.** — (*NL*) Mr President, as acting chairman of the Legal Affairs Committee I would like to express warm support for Mr Notenboom's proposal. We have now at last finished dealing with this Fifth Directive and it is a matter on which quite detailed discussion has taken place in the Legal Affairs Committee, and understandably so, since this question of co-determination in firms is an extremely important matter; we would therefore particularly appreciate it if this were not taken on Friday but, if possible, on Wednesday in the late afternoon, or on Thursday. We therefore support Mr Notenboom's proposal so that we can be sure that this report which could give rise to considerable discussion — I do not claim that it will necessarily do so — can be dealt with sufficiently thoroughly and deeply.

**President.** — I call Mr Fletcher-Cooke.

**Mr Fletcher-Cooke.** — Mr President, I am sorry to strike a discordant note about Mr Schmidt's report on the Fifth Directive. I entirely agree with Mr Notenboom and Mr Broeks that this is a very important matter and to a certain extent a controversial matter, but the truth is we have not yet had the final document: it has not yet been distributed, and it seems to me quite wrong that a matter that unfortunately has been, I think, held up for years rather than months should now be discussed tomorrow or even Wednesday before the final document has been distributed and when Members who have not yet considered this have not had an opportunity of doing so. It is all right for Mr Broeks, myself and my colleague Mr Shaw, who have been working on this in the Legal Affairs Committee, but with regard to other Members of the Parliament who have not yet seen the document, to take it tomorrow or Wednesday seems to me wrong.

**President.** — I call Mr Shaw.

**Mr Shaw.** — Mr President, whilst supporting wholeheartedly the words of my colleague, Mr Fletcher-Cooke, may I also raise a question. It was not quite clear, Mr President, whether it was your suggestion that my report on the non-automatic carry-forwards should be taken on Thursday evening. Were that so, may I respectfully suggest that, as far as I know, the matter is non-controversial. I have another report coming up on Friday morning, and it would certainly be convenient for me, and I hope it would be convenient for the House, if this item were slipped in after my report, Item No 125, on Friday. That would relieve the congestion on Thursday evening and I think we could take it very happily on Friday.

**President.** — I call Mr Adams.

**Mr Adams.** — (D) Mr President, in the draft agenda before us, the report by Mr Albers on behalf of the Committee on Social Affairs, Employment and Education has been put down for Tuesday. You have just proposed that the second Albers report should be considered on Thursday.

I am speaking now on behalf of the chairman of the Committee on Social Affairs, Employment and Education, Mr van der Gun, who is not yet here, and since Mr Vredeling will be here on the Tuesday, I would ask you to permit the second Albers report, and the oral questions by the Committee on Social Affairs, Employment and Education concerning the Council of Ministers' meeting on 15 May to be considered on the Tuesday, after the first Albers report. In other words, we should like both Albers reports and the oral questions of the Committee on Social Affairs, Employment and Education to be considered at the same time on Tuesday in a joint debate.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) If I may return to the question of consideration of the report by my colleague, Mr Schmidt, on the Fifth Directive, whilst appreciating the objections raised by Mr Fletcher-Cooke and Mr Shaw, I now understand that the report can be distributed tomorrow, so that all Members will have a chance to get to grips with the details of the amendments — I stress the word amendments, Mr President — by Wednesday evening or Thursday morning at the latest. After all, we have been debating this subject for years in the House, and all Members may be assumed to be familiar with the essentials of this important subject; all they need to do now is familiarize themselves with the amendments contained in the recent draft report by the Legal Affairs Committee. I should therefore like emphatically to endorse the proposal to consider the Schmidt report on the Fifth Directive on Wednesday evening or Thursday morning at the latest.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, I should like to say on behalf of my group that, although we fully respect the objections expressed by Mr Fletcher-Cooke, we wish to support Mr Notenboom's proposal to transfer Mr Schmidt's report to Wednesday's or Thursday's agenda, as we believe that a report of such great importance to Parliament should be given its proper place on the agenda.

**President.** — Consult the House on Mr Shaw's and Mr Adam's requests which I shall first summarize.

Mr Shaw has requested that his motion for a resolution on the non-automatic carry-forwards should be held over until the sitting of Friday, 11 May 1979, after his report on limited liability companies.

Mr Adams has requested that the Albers report on the Tripartite Conference which it had been proposed to enter on the agenda for Thursday, 10 May should be entered on that of Tuesday, 8 May for joint debate with the Albers report (Doc. 31/79), in which debate the oral question Doc. 141/79 would be included, provided Parliament agreed to consider it by urgent procedure.

As there are no objections, that is agreed.

Mr Notenboom has requested that the Schmidt report (Doc. 136/79), entered on the agenda for Friday, 11 May should be brought forward to Wednesday, 9 May.

As differing views have been expressed on Mr Notenboom's request, I put it to the vote.

The request is approved.

The Schmidt report will therefore be entered on the agenda for Wednesday, 9 May.

Lord Castle has requested that his report on New Zealand (Doc. 107/79), entered on the agenda for



**President**

Friday's sitting, should be brought forward to Wednesday.

As Wednesday's agenda is already very crowded, I propose to Lord Castle that the item be left on Friday's agenda. If he is unable to be present on Friday, the chairman of the committee responsible can deputize for him.

I call Lord Castle.

**Lord Castle.** — I am informed, Sir, by somebody who knows him more intimately than I do — I think it is his personal assistant — that he will not be here on Friday.

**President.** — I consult Parliament on Lord Castle's request.

As there are no objections, the request is approved. The report will therefore be entered on the agenda for Wednesday, 9 May.

**Lord Castle.** — I am very much obliged. I hope to see you in the early hours of the morning:

*(Laughter)*

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — *(DK)* Mr President, my group has made a written request for a minor amendment to the agenda for Tuesday: we have requested that the two reports for which I am rapporteur, namely items 23 and 86, should be dealt with as the first and second items on Tuesday, with Mr Bayerl's report becoming item three. I have commitments in Denmark on Tuesday evening and must therefore leave Luxembourg on Tuesday afternoon. I would therefore like to be sure that we will have finished with my two reports before my departure. Only a minor amendment, as I say, which we have submitted in writing.

**President.** — I consult Parliament on Mr Nyborg's request that both his reports (Docs. 30/79 and 103/79) be taken at the beginning of the sitting of Tuesday, 8 May, before Mr Bayerl's report (Doc. 100/79).

As there are no objections, that is agreed.

As the agenda for this part-session is particularly heavy I have directed that, in the case of the Howell report on the milk and cheese sector and the Corrie report on fish-farming as well as of other documents to be debated by urgent procedure, only the motion for a resolution should be printed and distributed and that the explanatory statements should be printed and distributed later.

The order of business will therefore be as follows:

*Today until 8.00 p. m.*

- Procedure without report
- Statement by the Commission on action taken on the opinions and proposals of Parliament

- Interim Nyborg report on company taxes
- Noè report on air traffic control
- Kennet report on misleading and unfair advertising

*Tuesday, 8 May 1979*

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

- Nyborg report on construction products
- Nyborg report on Community transit
- Bayerl report on the rights of the individual in the face of data processing
- Oral question with debate to the Commission on Community supplies of raw materials
- Dunwoody report on equal pay for men and women
- Joint debate on two Albers report on the Tripartite Conference and an oral question to the Commission on the Council of Ministers of Social Affairs and Labour on 15 May 1979 (this question will be taken provided that Parliament votes in favour of urgency)
- Bertrand report on European Centre in Berlin
- Oral question without debate to the Commission on discrimination in France against migrant women
- Possibly, Ripamonti report on the draft supplementary budget No. 2 for 1979
- Ripamonti report on the draft estimates of Parliament for 1980
- Shaw report on the Financial Regulation

*3.00 p. m.:*

- Question Time (questions to the Commission)

*3.45 p. m.:*

- Voting time

*Wednesday, 9 May 1979*

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

- Oral question with debate to the Council on employment policy
- Oral question with debate to the Council on the protection of the Rhine
- Pintat report on enlargement of the Community
- Zagari report on human rights in Ethiopia
- Statement by the Commission on the Harrisburg accident
- Flämig report on cooperation with developing countries in the field of energy
- Flämig report on the JRC multiannual programme 1980-1983
- Brown report on electricity production
- Flämig report on the energy situation in the Community
- Schmidt report on the protection of the interests of Members and others in *sociétés anonymes*
- Castle report on economic and trade relations between the EEC and New Zealand

*3.00 p. m.:*

- Question Time (questions to the Council and Foreign Ministers)

**President**

4.30 p. m. :

— Voting time

*Thursday, 10 May 1979*

10.00 a. m. and 3.00 p. m. until 8.00 p. m. (possibly from 9.00 p. m.)

- Caillavet report on the seminar held by the Committee on Agriculture at Echternach
- Pisoni report on the market in wine
- Hansen report on the calculation of monetary compensatory amounts in the wine sector
- Tolman report on isoglucose
- Joint debate on Howell and Nielsen report on the milk sector
- Joint debate on Lemp report on fisheries and Corrie report on fish farming
- Joint debate on Hughes report on enzootic leukosis among cattle and Hughes motion for a resolution on nervous diseases in pigs
- Brégégère report on Perustitza and Erzegovina tobaccos
- Brugger report on the protection of animals during international transport
- Ligios report on Community citrus fruit
- Hansen report on the oil production register
- Früh report on hop producer aids
- Possibly, Albertini report on forestry policy in the Community
- Kavanagh report on fishing
- Sandri report on the creation of a European Agency for Cooperation
- Nyborg report on working conditions
- Caro report on the European Youth Forum
- Bruce report on the discharge for the 1977 financial year
- Report on own resources (if adopted in committee)
- Report on adult bovine animals from Yugoslavia (if adopted in committee)
- Report on the accession of Saint Lucia to the Lomé Convention (without debate)

3.00 p. m. :

— Question Time (questions to the Commission)

3.45 p. m. :

- Possibly, vote on draft supplementary budget No. 2 for 1979 and on the motion for a resolution contained in the Ripamonti report
- Vote on the draft estimates of Parliament for 1980 and on the motion for a resolution contained in the Ripamonti report
- Voting time

*Friday, 11 May 1979*

9.00 a. m. :

- Procedure without report
- Voting time
- Possibly, continuation of previous day's agenda
- Walker-Smith report on appointment of a Community Ombudsman
- Possibly, Shaw report on limited liability companies
- Possibly, Shaw report on the carry-over of appropriations from 1978 to 1979
- Sandri report on trade agreement with Uruguay
- Baas report on commercial and economic cooperation agreements between the EEC and the ASEAN
- Kaspereit report on table grapes from Cyprus
- Corrie report on peripheral coastal regions of the Community
- Schyns report on transport of passengers and goods by road
- Fuchs report on inland waterways
- Jung report on EEC-COMECON relations in the field of maritime shipping
- Brown report on plastic materials
- Lamberts report on edible caseins and caseinates
- Bethell report on ionizing radiation
- Jahn report on environmental carcinogens
- van der Gun report on contacts between the citizens of the Community
- Noè report on the quality and nutritive value of food (without debate)
- Lamberts report on fresh poultrymeat (without debate)
- Pisoni report on social security for employed persons (without debate)
- Oral question without debate to the Commission on language teaching in the Community

*End of sitting :*

— Voting time

### 5. Limitation of speaking time

**President.** — Pursuant to Rule 28 of the Rules of Procedure I propose to allocate speaking time for the following items on the agenda of Tuesday, 8 May 1979 as follows :

Nyborg reports, Bayerl report and oral question on certain economic problems :

Rapporteurs :	30 minutes (3 × 10)
Author of the question :	10 minutes
Commission :	50 minutes
Members :	150 minutes
broken down as follows :	

**President**

Socialist Group :	44 minutes
Christian-Democratic Group (EPP Group) :	36 minutes
Liberal and Democratic Group :	19 minutes
European Conservative Group :	16 minutes
Communist and Allies Group :	16 minutes
Group of European Progressive Democrats :	14 minutes
Non-attached Members :	5 minutes

Dunwoody, Albers and Bertrand reports and Squarcialupi oral question on social problems :

Rapporteurs :	30 minutes (3 × 10)
Author of the question :	10 minutes
Commission :	40 minutes
Members :	120 minutes
broken down as follows :	

Socialist Group :	34 minutes
Christian-Democratic Group (EPP Group) :	28 minutes
Liberal and Democratic Group :	15 minutes
European Conservative Group :	13 minutes
Communist and Allies Group :	13 minutes
Group of European Progressive Democrats :	12 minutes
Non-attached Members :	5 minutes

Since a report and an oral question have been added, a further 10 minutes for the rapporteur and 10 minutes for the author of the question will be added to speaking time.

For all other reports and motions for resolutions on the agenda, I propose, in keeping with our normal practice, to limit speaking time as follows :

- 15 minutes for the rapporteur and 1 speaker on behalf of each group ;
- 10 minutes for other speakers.

As there are no objections, that is agreed.

As this is the last part-session before direct elections the number of items on the agenda is considerable and indeed greater than usual. I therefore earnestly request all Members to keep their speeches as short as possible and I remind the House that after 7 p. m. the President is empowered to reduce speaking time.

### 6. Procedure without report

**President.** — Pursuant to Rule 27A of the Rules of Procedure, the following Commission proposals have been placed on the agenda for consideration without report :

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

I. a regulation amending Regulation (EEC) No 1418/76 on the common organization of the market in rice

II. a regulation amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals

(Doc. 48/79)

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

- proposal from the Commission of the European Communities to the Council for a directive prolonging, in respect of brucellosis, tuberculosis and swine fever, certain derogations granting to Denmark, Ireland and the United Kingdom (Doc. 68/79)

which has been referred to the Committee on Agriculture ;

- proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 471/76 as regards the period of suspension of the application of the condition on prices governing the importation into the Community of fresh lemons originating in certain Mediterranean countries (Doc. 94/79)

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 ;

- proposal from the Commission of the European Communities to the Council for a regulation temporarily and partially suspending the Common Customs Tariff duties for certain types of fish (Doc. 145/79)

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.

I remind the House that unless any Member asks leave to speak on these proposals or amendments are tabled to them before the opening of the sitting on Friday, 11 May 1979, I shall at that sitting, declare these proposals to be approved pursuant to Rule 27A (6) of the Rules of Procedure.

I would point out that the Committee on Budgets will decide on these three proposals at its meeting today. Provided the committee does not object to procedure without report, they will be considered at the sitting of Friday, 11 May.

### 7. Action taken by the Commission on opinions of Parliament

**President.** — The next item is the communication from the Commission on action taken on the opinions of Parliament<sup>1</sup>.

I call Mr Broeks.

<sup>1</sup> See Annex

**Mr Broeksz.** — (NL) Mr President, I was pleased to read in 3 (a) and 3 (b) that Parliament will be notified of the Commission's decisions. But this is not true of point 3 (c); 3 (c) does state that it is important, and that a number of amendments have arisen which will be approved in the next few weeks; but why does it not state that Parliament will be kept informed?

I consider it extremely important that that should be so and I would greatly appreciate it if the Commission would add that Parliament will be informed.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, the work has not yet been sufficiently completed to enable us to give the same information in this regard as we have given in regard to the other two points mentioned by the honourable Member, bearing in mind particularly that we have had only four working days since the last session of Parliament. However, having heard his request I shall get in touch with him personally about the latest state of the matter.

**President.** — I call Mr Broeksz.

**Mr Broeksz.** — (NL) Mr President, I believe there is a slight misunderstanding here. I am quite satisfied with the promise that Parliament should be informed as soon as possible. If the Commission is prepared to give such a promise that is quite enough for me.

**President.** — The Commission's statements are in line with your wishes.

### 8. Company taxation

**President.** — The next item is the interim report by Mr Nyborg (Doc. 104/79), on behalf of the Committee on Economic and Monetary Affairs, on the harmonization of systems of company taxation and of withholding taxes on dividends.

I call Mr Nyborg.

**Mr Nyborg, rapporteur.** — (DK) Mr President, the harmonization of company taxation has been debated here in Parliament on many occasions, and since 1970 an established feature of the European Parliament's position has been its disagreement with the Commission's view that the first step towards the harmonization of company taxation should be the harmonization of tax rates.

We believe that this is the wrong way of looking at the problem. The aim of harmonization is to eliminate the distortions of competition caused by the existence of different taxation systems in the Member States. That means, in the opinion of the European Parliament, that we must first of all attach importance to the creation of transparency in this field and set our sights on genuine fiscal neutrality. None of these

objectives can be attained, as long as widely differing rules continue to exist in respect of the calculation of a company's taxable profits. This point of view was expressed by Parliament in the early 1970s. It was maintained in the Van Aerssen report at the end of 1977 and it is the view which has predominated in most of the numerous and lengthy discussions held on this subject. We are able to note today that our viewpoint is now being adopted by the Commission. Both Commissioner Burke and senior Commission officials have said in discussions that there must be harmonization of the basis of calculation.

The only point on which we disagree is the manner in which that harmonization should be carried out. There was literally unanimous agreement in the committee that we cannot today implement the harmonization of rates of taxation and tax rebates, unless we have a clear understanding of how we should harmonize the basis of assessment.

As rapporteur, therefore, I drew up a series of proposed amendments to the Commission's proposal for a directive, the main objective of which already figured in the previous proposal for a directive, in other words, the fixing of a strategy for the overall harmonization of company taxation and the basis of assessment. Part of my intention was to delete from the proposed directive those measures, such as the special rates, which we could begin to harmonize at a later stage. I would add that those Members of Parliament who might wish to examine the practical amendments which we feel must be contemplated, can find them in the revised draft report (PE 54.929/rev.).

In the meantime, the Commission was unable to take the question of rates out of the proposed directive. The explanation for this seems to be that the Commission is frightened of giving the impression that it is moving towards a comprehensive rebate system rather than a partial rebate system as the basis for a common system of company taxation. I fail to understand this point of view. If the Commission agrees with Parliament that the basis of assessment must be harmonized at the same time as rates, then the Commission should draw up the necessary proposals for directives, instead of adhering — clearly, it would seem, for reasons of prestige — to a proposal dating from 1975 which, as the Commission knows full well, has no chance of getting through the Council.

It is therefore incorrect to claim — as the Commission does — that Parliament's position is delaying harmonization in this field. On the contrary, the latest proposed directive will come to grief in the Council, and the harmonization of company taxation will be postponed indefinitely. If the Commission were to take our advice on this matter, and let the harmonization of tax rates wait until we are also able to harmonize the basis of assessment (the real precondition for fiscal neutrality), then we could get harmoniza-

## Nyborg

tion under way relatively quickly. It would not take long for the Commission to secure the adoption of a directive laying down the principles of and guidelines for a common company taxation system. This would rapidly make it possible to abolish the provisions in certain Member States directly aimed at ensuring that resident and non-resident shareholders are treated differently.

The harmonization of the various tax systems is a particularly sensitive field. Every harmonization involves restrictions on the Member States freedom of action — that is indeed the aim of harmonization. If Member States agree to yield this freedom of action in the field of company taxation, we can only assume that these States are convinced that this restriction on their freedom of action serves a useful purpose. The Commission's latest proposal does not inspire any such conviction. If we implement it, we will of course be able to stand up and say that the EEC has now taken a considerable and important step forward. Part of the electorate and many small and medium-sized companies will possibly believe this at first, but the national authorities and the big international companies will cherish no such illusions and will congratulate themselves on this result — the creation of a new set of rules with a mass of loopholes which they can play about with.

If we wish to ensure transparency and fiscal neutrality, we must first of all harmonize the basis of assessment and not, as the Commission proposes, the rates. I should have liked today to have presented, on the committee's behalf, a final report stating exactly on which amendments in the proposed directive the Commission and ourselves could agree. However, our committee decided to submit an interim report, and I would emphasize that this has been done to prevent the Council from beginning work on the Commission's proposal. I would warn the House against believing that progress can be made in the present situation.

In our committee, we are convinced that, if we are to get harmonization under way in this field — and the urgency of the matter dictates that we must — the Commission should embark upon the course proposed by the European Parliament. Our aim in submitting this interim report is formally to demonstrate this view to the Commission, the Council and the public, and for the Members of the future directly elected European Parliament. We wanted to say that the Commission's arguments for carrying out, at the present time, a harmonization of taxation and tax rebate rates are unconvincing, and we wanted the new Parliament to benefit from our experiences in this field during the 1970s.

We do not consider this the best possible solution. We would have preferred to have seen Parliament and the Commission reach agreement on action to be

taken in this field. The fact that this did not happen was not due to any lack of flexibility or imagination on the part of the committee as regards ensuring parallelism between the harmonization of rates and the basis of assessment. As I have already mentioned, we have drawn up extremely detailed proposed amendments. The problems in the committee arose from the fact that the Commission would only agree to introduce a five-year transitional period for the formulation of provisions for the harmonization of rules governing the calculation of companies' taxable profits.

We could not be satisfied with this, as we do not believe that this harmonization of the basis of assessment can be achieved in the course of a five-year period. The result of the Commission's proposal will therefore be that the harmonization of rates will enter into force irrespective of whether or not the basis of assessment has also been harmonized.

The Commission's text opens up the possibility of parallel progress without in any way guaranteeing it. We wish to ensure this parallelism. If we do not do so, our credibility with the public will suffer. On the committee's behalf, therefore, I recommend the adoption of the motion for a resolution contained in the interim report. Adoption of the resolution in this case would not mean that we have completed our consideration of Commission's proposal, but would underline our view that more must be done if we are to achieve transparency and fiscal neutrality in the field of company taxation. The closer the Commission comes to accepting that, the sooner we shall reach our objective.

**President.** — I call Mr Starke to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Starke.** — (D) To be brief, Mr President, the Christian-Democratic Group endorses the motion for a resolution in the interim report. We agree with the rapporteur's comments, reservations and proposals.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — May I at the outset thank the rapporteur and the Committee on Economic and Monetary Affairs for their careful examination of this very complicated proposal on company taxation. I feel that by their detailed debates they have given an acknowledged importance to this matter. The proposal is designed to abolish existing fiscal distortions in the field of taxation of companies and their shareholders' and as such it has important implications for economic, regional and social policies in the Community.

May I say that the last time I had the honour of speaking at this topic during a part-session — in 1977 — I spoke on the basis of a positive report to the parliamentary committee. At that time, the Committee on Budgets report was rejected, it seemed to me, for very

**Burke**

divergent, if not indeed, contradictory reasons. May I just make a few points on this very important matter. I feel that if this state of affairs continues, it may have adverse effects on the essential elements of Community policy, on regional policy for example, and on the transfer of resources. I would put it to the House that there is not much point in the Community developing policies intended to encourage investment in particular areas, if the effects of the differing tax structures in the Member States is to pull the available funds even more strongly in a different direction.

May I very briefly say that the distortions of capital movement stemming from the existence of different corporation tax systems in the Community will, in my judgement, become increasingly strong in the future. In the present situation, we still find a considerable amount of exchange control restriction on cross-border transactions and securities. But there is now a much better chance of swift progress towards liberalization, and I am here of course thinking of the beneficial consequences of our European Monetary System. I believe that the next few years will show a rapid development in this monetary field which will have a direct bearing on the fiscal problem before us. It will become abundantly clear that we must move ahead and harmonize our corporation tax systems and their rules on tax credits, in order to prevent progress towards monetary integration in the Community from leading to increased fiscal distortions. I would appeal to Members of the House to give attention to the points I have made, not only in the Committee but in public speeches and indeed in the House in December 1977. I would conclude by thanking the Members who have addressed themselves to this problem, and to hope, as Mr Nyborg says, that when the new parliament comes to discuss this matter, there may be a basis of consent between us which will enable us to make better and more rapid progress in the future.

**President.** — I note that there are no further requests to speak. The motion for a resolution, as it stands, will be put to the vote tomorrow during voting time.

The debate is closed.

### 9. *Air traffic control*

**President.** — The next item is the report by Mr Noè (Doc. 106/79), on behalf of the Committee on Regional Policy, Regional Planning and Transport, on effective air traffic control.

I call Mr Noè.

**Mr Noè, rapporteur.** — (I) Mr President, Mr Burke, colleagues, even before 1970 this Parliament dealt on two occasions with the problems relating to the

control and organization of air traffic. In 1970 the Committee on Transport took the initiative of submitting a report on ways to improve the general organization of the sector and thus coordinate the activities of the various national airlines operating in Europe. Unfortunately, opposition from the airlines prevented its work from bearing much fruit. The report was concluded in January 1973 when our first English colleagues came to Parliament; I remember this clearly because they tabled several amendments. Two months later the report, for which I was rapporteur, was adopted. Last year I was also rapporteur for an own-initiative report which the Committee on Transport decided to draw up after the Zagreb disaster in which two aircraft collided in mid-air killing 150 people and which was shortly followed by another collision in Tenerife in which over 500 people were killed.

That report was discussed in this House; in paragraph 20 of the resolution the President of the European Parliament was asked to organize a hearing at European level with the participation of the Council of Europe. Lord Bruce, chairman of our committee, subsequently made arrangements for the hearing which was held two months ago in Paris. Today's report, Mr President, is merely intended to add to and improve on some of the conclusions of the 1978 report. In view of the President's request to be brief, I shall not go into great detail but shall confine myself to the points which emerged at the very interesting hearing in Paris.

There are three main points which I wish to mention. The first is connected with the title of today's report which refers to air traffic management and control. Although the last report dealt only with control, the hearing made it clear that satisfactory air traffic control cannot be divorced from satisfactory management. However, it will be for the next Parliament to consider this question in greater detail.

The second point is related to the first and it is an extremely important one from the operational point of view and in the light of the objectives to be pursued: it clearly emerged from the hearing that while control in general is fairly satisfactory within the individual Member States there is no coordination between them as regards the organization and management of this control. A remark made by one speaker was particularly revealing: 'When I need to speak with someone in another country I take up the telephone and call him but there is no official link.' When, for example, it happens — and this is not by any means an unusual occurrence — that an aircraft has to circle an airport for half an hour before landing, this is because its departure from an airport in another country was not coordinated.

Noè

We are therefore asking in the resolution — and practically speaking I think this is the most important point — for the immediate setting up of a centre charged mainly with improving European air traffic flow so that the situation cannot arise where a 'plane leaves one airport without knowing whether the airport of destination is congested. I could expand on this point but I wish to confine myself to the essentials. Let me say straight away that I have already had indications that certain Member States are going to raise objections on this point.

Thirdly, in the 1978 report we drew particular attention to meteorological phenomena which are not yet completely under control since they can cause delays or threaten flight safety. Of these phenomena — and this is a cheering piece of news which I only learnt myself two months ago in Paris — the most undesirable is wind shear. This consists of a sudden variation in one of the components of the wind in clear, cloudless air, which ordinary radar is unable to detect, with the result that an aircraft may find itself caught in wind shear shortly before landing and be unable to get out of it because of the short distance from the ground.

We were informed in Paris that at the end of April differential anemometers capable of detecting wind shear would enter into use on an experimental basis at twenty American airports.

I should like to mention an interesting point which clearly illustrates the problem of circulating information on technological developments.

The pilots' representative, a captain whose name I cannot recall but who appeared to be extremely competent, was not aware of this development and asked — and his request remains valid for the future — that aircraft be equipped with devices to detect these variations in the components of the wind which are the cause of turbulence. This solution would obviously be more satisfactory since it would permit the detection of variations which at present can only be detected from the ground by means of differential anemometers. This solution has not yet been developed but for the moment at least, the first one should allay our fears to some extent.

These are the three new points which we have incorporated in the resolution. Mr President, although I shall try to be brief, I must say a few words about Eurocontrol. I must do so because in the past, the prospect of dismissals and similar trade union problems suddenly forced us — and indeed it was our duty — to consider the matter. I do not think it is good policy to wait until a difficult situation has developed before doing anything about it. Prevention is always preferable, and this option is now open to us. This Parliament has already drawn attention in the

past to the need for cooperation between the Member States with a view to harmonizing their airport equipment on the basis of general regulations. Responsibility for coordination of air traffic movements could be given to Eurocontrol, not merely to create new jobs at all costs but because the situation offers the possibility of combining real needs with work opportunities for people of considerable professional ability. Since it will be for the future Parliament to deal with Eurocontrol, I have simply considered it appropriate to refer to this possibility now.

The resolution is divided into several sections and covers organization, control, technological developments, social aspects and management. I have already mentioned some of these; as regards the others, I should like, Mr President, to make just two points.

The first is that controllers are often reluctant to report incidents which could lead to collisions in case they might be blamed and have to face disciplinary action. Frank reporting is in everyone's interest and it should not render controllers liable to criminal prosecution. There are also social aspects of which we are all aware and which we discussed on the occasion of the controllers' strike in France. Provisions should be drawn up as regards working hours and, in some cases, early retirement, since a controller's work is extremely difficult and should be compensated by adequate conditions.

To conclude, Mr President, I would like to thank Lord Bruce not only for organizing the Paris hearing but also another one on the Amoco Cadiz which was held last year. Both hearings were a success and provided useful information, so I think that we can propose that the new Parliament should organize further hearings of this kind about once a year. This Parliament's work on civil aviation is only a start and much more remains to be done. I hope that, in the interests of travellers throughout Europe, the new Parliament will be able to carry through what we have begun.

IN THE CHAIR : MR MEINTZ

*Vice-President*

**President.** — I call Lord Bruce.

**Lord Bruce of Donington, Chairman of the Committee on Regional Policy, Regional Planning and Transport.** — Mr President, I am greatly obliged to Mr Noè, as I am quite sure the whole House is, for the report that he has given us this afternoon on air traffic control, and I thank him for the kind remarks he was good enough to make concerning the function that I had the honour to perform on behalf of my committee in presiding over the conference that took place in Paris in March of this year.

### Lord Bruce of Donington

It may be of interest to Parliament to know of the nature and extent of the representation that we then heard. There were present not only the Commission, of course, on whose good offices we always rely, but the Assembly of the Western European Union and Eurocontrol, to which Mr Noè has referred; we had industrial representatives of the makers of the equipment used by air traffic controllers; we had the International Air Transport Association (IATA), the International Civil Airports Association (ICAA), the International Civil Aviation Organization (ICAO), the International Federation of Airline Pilots, the International Federation of Air Traffic Controllers Associations, the Italian Military ATC Authority, the North Atlantic Treaty Organization (NATO), the Parliamentary Assembly of the Council of Europe and last, but not least, the trade union section of the Eurocontrol, part of the European Communities. It is perhaps a pity that the verbatim report of the proceedings is not yet available. But as and when it becomes available I feel quite sure all Members of the House will agree that the efforts to bring these responsible bodies together, to put their points of view and indeed to argue with one another, is a development to which the future Parliament should give even more attention that has been given in the past.

Mr President, on the question of air traffic control itself: if there is one area of activity covering the Communities, surely the achievement of some uniform and systematic air traffic control over Europe is of paramount importance. As Senator Noè says in his report, quite clearly it cannot be confined to the nine nations of Europe; it should extend to include, probably, altogether 21. Nevertheless, a beginning ought to be made to endeavour to bring some standard form of control over the air traffic of Europe. One is well aware that certain states are inconvenienced perhaps more than others by air traffic across their territories which does not always benefit them economically. I speak specifically of France, whose territory is probably overflown more in the summer and the holiday months in transit from my own country, from Germany, from Denmark and from the rest of the north-western side of the Community over to Spain. It is quite clear, of course, that this traffic does present an enormous problem for France. Indeed, one of the reasons that prompted the holding of this enquiry at all was the fact that last year the holiday-makers of Europe did have considerable difficulties, suffered very considerable delays and inconveniences indeed, precisely because of the air traffic controllers' dispute in France.

No state can escape the political consequences of this because, as we well know, the people that are held up in airports sleeping there overnight, and possibly for 48 hours, tend not to blame the air traffic controllers, but their own governments. So all countries have got

an interest in this. It is a matter of some regret, Mr President, that during the course of the hearing, the airline controllers' international association gave us warning that unless some steps were taken, Europe faced this coming holiday season exactly the same type of problem that it had last year, and this is indeed very ominous. One does therefore hope that at Council of Minister level in the Community some endeavour will be made to ensure that the appropriate national and international action required to produce some state of harmony within the air traffic control system in Europe, is in fact adopted in good time.

One of the points that emerged, Mr President, was this: the efficiency of the equipment used by air traffic controllers in various parts of the Community varied considerably, and indeed in one or two states was at the root of the industrial trouble that has bedevilled certain parts of this particular public service. Air traffic controllers have very grave responsibilities. There must always be the gnawing anxiety while they are performing their responsible task of guiding aircraft over Europe that perhaps they might conceivably make a mistake. It is all very well for politicians and civil servants to shrug these responsibilities aside, but it was made quite clear to us in the evidence given that this is an ever present anxiety which dogs the whole life of an air traffic controller from the moment that he commences his duties, during his time of hand-over and re-takeover and during the time that he departs at the end of his duties. They did ask, and, Mr President, they are entitled to ask, that the public of Europe pay some attention to this aspect of airline traffic control affairs. Industry itself, Mr President, when taxed with the question as to whether they can produce the efficient equipment required, said that of course they could, but that the take-up of this equipment in certain Member States was, to put it at its most complimentary, distinctly patchy.

Now, Mr President, it is of no comfort to the travelling public of Europe, aside from the question of inconvenience due to industrial troubles, to know that certain parts of Europe over which they travel and certain airports at which they land are really not yet equipped to the correct and the acceptable standard. Members of the International Airline Pilots' Association were good enough to confirm this. We as parliamentarians, have to remember that the safety of the travelling public in Europe depends upon these two bodies. It depends on the individual pilots, who also have their continuing anxieties, as well as upon the air traffic controllers themselves.

If ever there was an area which called for the standardization of equipment up to the proper standards, surely it is this. Parliament, in presenting this report, Mr President, may be baying at the moon, because one Member State and I'll name it — France — has



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already said that its own air space is its own, and I have no doubt that this nationalistic attitude is adopted not only by France, but also, I believe, by the United Kingdom. I care not. If there is going to be a satisfactory and safe air traffic control system over the whole of Europe — one in which the travelling public can have complete confidence, one which will make for complete harmony within the industry itself, one which will remove the gnawing anxieties of those that bear the heaviest responsibility — surely it is for the Community to begin to originate action. Because, Mr President, if the Community cannot take the initiative in this field — surely one that stands out as being in the common interests of the people of Europe — one wonders in what field they will ever take initiative.

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

**Mr Osborn.** — Mr President, I would like, not only on behalf of the Conservative Group, but personally, to give a warm welcome to this very excellent resolution and report presented by Mr Noè and commend it to this House. Issues such as air traffic control cannot be dealt with by governments and national parliaments in isolation.

This present motion for a resolution arises, of course, from Mr Noè's previous report on the promotion of efficient air traffic control and from the fact that Parliament agreed that a public enquiry should be held in order to follow up and develop the suggestions contained in that report. This line of action was put forward in my opinion following the Zagreb disaster, and I very much hope that the proceedings of the enquiry in Paris will soon be circulated, because the two must be taken together.

You, Mr President, or the President acting on your behalf, entrusted this task to the Committee on Regional Policy, Regional Planning and Transport, which set up a sub-committee consisting of its chairman, Lord Bruce, Mr Noè and myself — I had given, on behalf of the Committee on Energy and Research, an opinion for incorporation in Mr Noè's original report — with the task of making the detailed arrangements for this hearing in Paris on 19-20 March.

We were fortunate enough to assemble around the same table for this hearing representatives of all the bodies and organizations most concerned with air traffic control, both at international and at European level. We had the very great advantage of the participation of members of the Council of Europe and of Western European Union and also of a spokesman for NATO, Air Vice-Marshal Pedder, who is chairman of CEAC.

I should say straight away that the hearing was a success, not only for what we learnt as Parliamentar-

ians but also for the opportunity it afforded the various experts to come together in the same room and to thrash out the various problems in the field of air traffic management. To the best of my knowledge, this was the first time this had been achieved in the European context.

I would stress the expression 'air traffic management' referred to this evening by Mr Noè, because his motion for a resolution makes it quite clear that one cannot regard air traffic control as such in isolation from the generality of considerations ranging from the long- and medium-term planning of traffic management to the procurement of air traffic control equipment.

In this connection, paragraphs 22 to 28 of the motion for a resolution are of particular importance, because it is there that Mr Noè deals with the need to set up a

single traffic management agency with executive powers in the field of long- and medium-term planning and the implementation of all air traffic services facilities.

This, of course, must represent the ideal: it is one which we must strive for in Europe, and not, in my opinion, only within the Community of the Nine but within that larger Europe which consists of at least some 21 Member States covered by the Council of Europe. In fact, I have in mind the whole of European air-space. By its very nature, air traffic management, if it is to be efficient and cost-effective, cannot be tied down to national European boundaries. When we look at the effectiveness of the Federal Aviation Administration of the United States, we can, I think, see a model which may serve us in developing some pan-European agency. This agency will not be concerned with the immediate and short-term question of air-traffic control but with the medium- and longer-term problems concerning capacity, routing and so on.

When I was over in the United States and again at their branch in Brussels, I was able to see something of the scope of the Federal Aviation Administration: it is concerned with safety, with specifications and standards; it takes a responsibility for testing; it has good contact with the manufacturers and the airlines. There is no equivalent body within Europe.

As paragraph 26 points out, we have to recognize that lack of political good will has effectively destroyed Eurocontrol's originally envisaged rôle of assuming international executive responsibilities not only for the short term but also for the all-important question of air traffic control itself. Even if we can understand some of the reasons that have led to this failure by the signatories of the Eurocontrol Convention in achieving their originally avowed aim, we must urge the desirability of Eurocontrol's being given its original executive functions after the Convention is amended in 1983.

**Osborn**

But in saying this I would not wish to claim that Eurocontrol should necessarily provide the institutional or organizational framework for the general European air traffic management agency of the sort Mr Noè suggests in paragraphs 23 and 24.

I fully agree, however, that if it proves impossible for the present signatory states to agree on giving Eurocontrol executive functions, it is essential, as paragraph 28 states, that the expertise which Eurocontrol has acquired should be incorporated into the European traffic management agency and should not be wasted. And I would like to pay a warm tribute to the admirable work which the staff of Eurocontrol have carried out over the years — and I have been to Karlsruhe and Maastricht — and the extraordinarily high technical level of their skills.

One of the most interesting things which emerged from the hearing, at least when one is considering the problem of air-traffic control as such, was the strongly expressed feeling that it is quite intolerable that air traffic controllers should find themselves in the position of being criminally liable for human error, and I am glad that this point is spelt out in paragraph 6 of the resolution. There was an ITV film in Britain called 'Collision Course', where this point was brought out dramatically. And there are many other issues, such as rates of pay, social conditions and types of equipment, and effects on air traffic controllers, which must be looked at.

Finally, Mr President, I would say that, in my opinion, the European Parliament cannot regard this matter as having been struck off our agenda and permanently resolved when we agree, as I am sure we will, with this motion for a resolution tomorrow. We are only on the threshold of bringing about some concerted action at the European level, and I do not think we should fool ourselves that we are going to find solutions overnight. Nor do I think these solutions will be found within the Community of the Nine or, it may be, of the Twelve; we shall therefore, as I have already indicated, have to look to this larger, more complete Europe, and the Community will have to work in conjunction with international bodies. I do believe that the present fragmentation of air traffic management in Europe is of benefit neither to the consumer — that is, the passenger, and I had an example of it when leaving London this morning — nor to the aviation, aircraft construction, electronic and avionic industries, nor to those employed in air traffic control. All three sections can, in my opinion, only benefit from an attitude which is no longer based on purely national considerations but which considers the problem of European airspace as a whole and endeavours to find common solutions. The President-in-Office — and I regret he is not here at the moment — and the Council of Ministers have a responsibility, as

Lord Bruce has pointed out. National aviation ministers must be made to galvanize their own civil servants, their own national agencies, to work together and not in isolation. A European solution is the only solution capable of avoiding waste of scarce aviation fuel, reducing flying costs and, above all, reducing the inconvenience to holidaymakers and the travelling public. Holidaymakers and the travelling public expect Europe as a whole to play its part. This is a centre of discussion for these issues in a European context, and I very much hope that we shall go forward and find a European solution, and not languish in our own national backward habits, which in this field have gone on for too long.

**President.** — I call Mr Albers.

**Mr Albers.** — *(NL)* Mr President, I feel the need to say that I am also very impressed by the way in which the Committee on Regional Policy, Regional Planning and Transport has organized these hearings. I refer in particular to the hearing on the Amoco Cadiz sea disaster and on the hearing concerning air traffic control. I would like to pay a big compliment to the chairman of the committee, Lord Bruce, who himself regretted that he had to leave the House to attend a meeting of the Committee on Budgets. I would like to make use of the last opportunity in the non-directly-elected Parliament to say that the chairman personally did a lot to make this hearing a great success; I would also like to include in these words of appreciation the secretariat of the committee. I believe that this will be an example to the new parliament of the way in which use can be made of the knowledge of many experts who are fully conversant with the matter in hand. It was also very gratifying that so many people took the opportunity to express their opinion.

I would also like to compliment Mr Noè on his report. It is an excellent report, especially that part which deals with the great dangers which still exist for uncontrolled entries into controlled areas, the use of different kinds of apparatus, and difficulties in language, etc. I would like to give strong support, on behalf of my group, to the improvements which the rapporteur would like to see. There must indeed be harmonization of the laws of the states concerned.

It is of course true that there is more air space than simply that over the European Community but there would be some considerable progress if the Council concerned with these matters were to attain unanimity and, on the basis of a common transport and traffic policy, put the case for more harmonization and coordination in the appropriate bodies.

Also concerning Eurocontrol I completely agree with the rapporteur that if it should transpire that the agreement cannot be renewed satisfactorily before 1983, then there should be an investigation into ways and

## Albers

means of using the knowledge acquired in Eurocontrol elsewhere within the European Community.

Finally, one remark on the social conditions. Our group fully recognizes the right of the employees concerned to take action to draw attention to their situation. The European social charter guarantees employees the right to act in support of their interests. But that same European charter also contains the provision that the authorities should be able to intervene if situations become dangerous. I would like to make a plea to the effect that affairs should not be allowed to go this far. If there is indeed a threat of difficulties in the coming tourist season there should be a very great effort to find out where the problems are. And we should try to solve these problems in order to prevent large groups of people, who have nothing to do with the situation but who are dependent on government decisions, being made the butt of new actions. I would therefore like to appeal to the Council to look at this problem and to find out what can be done by the Community.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, I always welcome reports that have the signature Noè on them, because they have a combination, which is extremely helpful, of both information and common sense, and I hope you will forgive my saying so, but that is not always a combination readily found in European institutions. I hope, therefore, that the rapporteur will not feel that I am criticizing him in any way if I say that whilst I am in general agreement with the content of the report, there are nevertheless some things in it which I find mildly disquieting. Let me begin by saying that as a very junior minister I learned to admire the control of air traffic controllers over the day-to-day movement of aircraft because, certainly in the British context, they not only have an enormous responsibility, but in many instances they are working at tremendous pressure throughout the period of their shift. At one point at Heathrow Airport, they were actually controlling the movement of aircraft at a rate of one every three seconds — coming into such a major airport as London. That is a responsibility, which is likely to put tremendous stress on anyone no matter how good their understanding or their training for the job they are performing.

Therefore I feel that there are several points that we should consider as a Parliament. Firstly, I am not all sure that I agree with the definition of Europe in this particular report. It is quite clear from Mr Noè's own comments that he regards Europe as being a very wide concept and certainly not one that can be retained as being within the airspace of the Nine, and I think that this is tremendously important. Airspace after all must be internationally controlled and not nationally controlled, and Europe alone to me is Europe starting

in Ireland and going through to the Urals, and if that is so, it is quite absurd for us to imagine that we can, by organizing what is called a Eurocontrol, actually begin to deal with some of the fundamental problems. We may think that we are making a move in the right direction, but we may in fact be doing the very opposite thing. Secondly, I think it is tremendously important when we are talking about safety measures to begin with the conditions of work of the air traffic controllers themselves.

Now, if I may, I would like to raise the whole subject — to me a very telling example of some of the problems — that can arise of an air crash that happened when air traffic controllers were on strike in France. Over five years ago — I have been chasing this subject in the European Parliament now for eighteen months — there was a strike of air traffic controllers in France, and the Armée de l'Air took over the responsibility for the administration of air traffic control. Now, what I have to say should in no way be construed as a criticism of that service organization, but it illustrates one of the problems that we only briefly touch on in this report, namely the whole question of language. There were two planes, both carrying holiday makers travelling from Spain, over French airspace. The airtraffic controller from the Armée de l'Air, neither bilingual nor experienced, in control of the movement of those aircraft. Whatever the reasons, there was a fatal crash in which a number of British citizens were killed. No compensation whatever has ever been given for that particular air disaster. I have asked more than once, both French Ministers and Presidents-in-Office of the Council of other nationalities, how soon those British citizens were to receive compensation. It is a classic demonstration of the difficulty that arises when people define their responsibilities simply in national terms. Therefore I look for very rapid compensation of those British families, some of whom are still living in poverty because of the problems that arose over 5 years ago in an air traffic control incident.

But I wish to go further and to talk about something which I regard as important. It is all very well to say as we do in the English version of paragraph 5 of the resolution, that in order to avoid fatal misunderstandings in the transmission of instructions and information between pilots and controllers, only the English language should be used and that controllers and pilots should keep strictly to the specified RT phraseology. In the incident of which I am speaking, the air controller was using phrases that he manifestly did not fully understand and the result was the loss of a number of human lives. So it is really not enough to say that we must have a common language, and that it must be used by people in a very precise way. It is important that the people using these languages understand the phraseology and are fully in control of the directions that they are giving.

**Dunwoody**

Further, it is important, if we are going to talk about international control of airspace, that we should understand that the difficulties connected with air traffic controllers almost inevitably result from bad machinery, bad conditions of work and poor pay. We can procedure in this Parliament as many reports as we like. But they will have astonishingly little effect unless we are prepared to guarantee continuous employment with the very best conditions possible the very highest pay commensurate with the responsibility, and a degree of investment in air traffic control machinery which will enable the air traffic controllers to carry out their jobs efficiently.

I am exceedingly sorry that the evidence that was taken in Paris is not available so far, because I would have liked to have seen the replies of some of the air traffic controllers to the questions that were put to them. But I would beg Parliament, if it is serious about this subject, not to imagine that it is something that can be debated only when there is a small amount of political pressure that arises out of holiday makers being stuck in airports because their charter planes are in difficulty. Speaking as someone who in the past four years has flown many more miles than I find comfortable, I would say it is far preferable to sit in an airport waiting for proper air traffic clearance than to take off in a plane when there is some danger of either colision of a near miss.

I would say this : it is not enough to say that we lack political good will and that that is why Eurocontrol has not been able to get off the ground. The truth of the matter is that the whole of Europe, the Americas and the Far East must work together if any system of control is to be efficient. There will be from time to time problems that arise in the management of airports. Those who insist on using only certain national airports inevitably will put a greater strain on the facilities available, and it will always be for national governments to put sufficient amounts of money into equipping those national airports to the very highest standard. There are still far too many travel agents sending charter planes — and many of them grossly overloaded because of the profit factor — into airports that are not properly equipped and where in fact the passengers are at some considerable risk. There has been more than one incident over the past five years where people have been killed or injured because airports used during the summer season are neither suitable nor in many instances safe. This Parliament must concern itself far more with demanding proper standards in that regard than simply saying that we must look to a European body to deal with certain problems of a political nature.

I therefore would say, Mr President, in conclusion, that I welcome this report, but I regard it as only a statement of the obvious. I regard it as setting out the

minimum conditions under which we can possibly operate. I believe that if we are serious we must ask ourselves whether we are prepared to commit the money, the time and the political muscle into supporting safety measures that will produce the right results for the majority of the citizens of Europe. What I fear is that we are going to make the kind of statement that we have in this report and that we are then going to wait until there is another serious accident before we even discuss the matter again. There is no simple answer to the whole problem of the control of airspace, but the basic requirements are money, investments and political support. Unless the Commission can provide these things on a larger scale than they appear to be envisaging at the present time, then frankly, they are dabbling in a field where they have neither standing nor the ability to act. I trust that when the Commissioner replies, he will be able to reassure me that this is not a general expression of goodwill, but a simple statement of the beginning of a plan of action coordinated with many nations outside the existing European Community.

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

**Mr Jung.** — (*D*) Mr President, ladies and gentlemen, it has become a depressing tradition to begin any contribution to a debate on the common transport policy with the words 'As we have repeatedly pointed out in this connection ...' That alone shows just how much progress has been made in this field since the last debate. To put it bluntly, there has been none at all ; which is extremely regrettable. Resolutions have been adopted, hearings arranged, and international congresses attended ; indeed, in the past year there has even been an international conference on the problems of flight safety ; yet we are no further forward after all this. Nevertheless, there is no doubt that those responsible are fully aware of the present and future problems in this area.

The fact is that that air traffic control in Western Europe is a long way behind the development of air transport. Major initiatives to improve the systems in use still tend to originate in the United States, whose approach is generally imitated to a greater or lesser extent in Europe. But what Western Europe needs is a safe and economic system which will not only be environmentally safe and save energy, but more importantly, will not be confined to national frontiers. The experts tell us that by the year 2000 commercial air transport in Western Europe will have increased by 110 %. The air traffic control systems we have today cannot possibly cope with this increase. Indeed, they will only comply with safety requirements, in the opinion of experts, if we are prepared to accept increasingly frequent delay and inconvenience. The present system, however, is not in a financial position

Jung

to handle future developments. Delays and inconvenience are caused not only by the widely differing systems in the various national airspaces but also by a large number of other factors. These include, apart from the continual increase in the volume of air transport, rapidly changing weather conditions on long flights, overcrowded airports, environmental measures such as the observance of noise-reducing take-off and landing procedures, and the decline in runway capacity caused by the introduction of wide-body aircraft.

All these negative factors prompt the demand for replacing national air traffic control systems by a supranational one, which still needs to be developed specifically for Europe. Efforts to plan for the future have in the past invariably failed for lack of cooperation between States and between management and technology. It is a fact that there is insufficient cooperation between aircraft manufacturers, airlines, airports, air traffic control and air transport ministries. The development of a tailor-made system for Western Europe has not been feasible so far because no contracts have been issued to develop and thoroughly test prototypes in the Member States of the European Community because of the rules governing finance and procurement in those countries. In the United States, on the other hand, this is usually done.

The experts tell us that the air traffic control system of the nineties will probably incorporate the following new features. A satellite system will cover the whole geographical area, and will be able to pinpoint the position of an aircraft to within 8 to 10 metres. Extensive automation will reduce the strain on pilots. Air traffic control will be centralized by data processing networks. The development of the tactical system into a strategic one will ensure that the best possible flight path is calculated for each aircraft. The planning needed to achieve this is already so far advanced in the United States that the new system will start to be introduced from 1982 onwards. Even the satellite system could, say the experts, be operational by between 1985 and 1989.

So much, then, for a brief description of technical developments. If we compare this state of the art with the situation in the Western European airspace, we can only conclude that we have wasted far too much time and cannot afford to let still more time go by. For these reasons, the Liberal and Democratic Group welcomes and supports the motion for a resolution. My group calls on the Council to take the appropriate decisions now, without further irresponsible delay, in order to prevent Western European airspace from becoming the most hazardous air transport sector in the world.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, may I join with all those who have paid tribute

to Lord Bruce, to Mr Osborn, to Mr Noè and to the Members of the Committee on Regional Policy, Regional Planning and Transport for the exceptional work that has been done in the area of safety in the air and operational control of air traffic!

I was particularly glad to have been invited to the hearing on 19 March in Paris, and to have seen some of the contributions given by people from various organizations. Safety must always be a primary consideration in the operation of air transport in the Community. Seeing that our airlines and aircraft operate world-wide, our care for safety is rightly bound to be part of a world-wide concern. The evidence submitted to the parliamentary hearing brought out very clearly the complex and varied problems of air traffic control, having, as it has, operational, technical, navigational, meteorological and telecommunications aspects. The honourable Members will recall that in the discussions which we have had in the House over the last couple of years, I have spoken about the ability of the Community to involve itself in such operational aspects of air traffic control, and have indicated that that ability is very limited. This is so because of the nature, the spread and the ramifications of the activity, the limitations in law, in area, and in competence and, so far as the Commission itself is concerned, the limitations in staff resources and technical expertise. Further, as the Parliament will no doubt recall, the Council of Ministers has not as yet included air traffic control among the points in its own stated programme on air transport.

Parliament has already adverted to the fact that Eurocontrol is quite independent of the institutional instruments of the Treaty, and does not cover an area co-extensive with the Community, nor indeed co-extensive with Europe generally or as an ICAO region. I have mentioned Eurocontrol as an existing organization for air traffic control purposes. The individual States have their direct responsibilities under the Chicago convention, and they have considerable operational and technical apparatus for fulfilling them. In this context I might mention that the European Commission is striving for closer relations between the Community and the International Civil Aviation Organization, and especially the European Civil Aviation Conference.

I would just like to mention briefly some of the Commission actions which are relevant to points mentioned in the draft resolution before Parliament. Firstly, as concerns air traffic control equipment, a subject mentioned in Section B, the Commission, with expert advisers especially engaged for the purpose, is seeking to identify whether, and if so where, common operational requirements exist in our Community or more widely in Europe. From such a study of future demands for air traffic control equip-

**Burke**

ment, it would be the purpose to see if there was common ground in the manufacturing industry for coming together on projects needing to go through a phase of research and development. We also propose, provided that the budgetary funds are available in 1980, to have a study undertaken of the future capacity of the airways and controlled airspace systems in the Community, as a parameter in the development of air transport services. This would be for its relevance to Community interest in the development of air transport services, rather than an excursion into the technical operational field *per se*.

In regard to the point made in the debate, and referred to in Section 6, i. e., accidents, and in particular near-misses, I would indicate that it is included among the 10 priority points for a programme of work on air transport drawn up by our Council of Ministers. The system in the United Kingdom mentioned in the resolution, and also, one can expect, the system in the United States, would be likely to be looked at in that connection.

Section C of the resolution refers to working conditions. I will content myself by saying that, this is a subject which is due to come up later this year at a meeting of the International Labour Organization. Parliament will no doubt have in mind that improvements in conditions bring their attendant costs, which it would be normal to expect would be borne by all users of air transport.

Section D of the resolution looks the important question of international cooperation in this field of air traffic control and its further strengthening. The Commission would hope to watch developments in this area as closely as its means will allow.

The resolution, if adopted, is as I see designed to be forwarded, to a full range of organizations concerned, in Europe and internationally. May I assure the Parliament that, so far as the Commission is concerned, it will not fail to study attentively the important material which Parliament's initiatives have caused to be assembled, and the observations it offers, as bearing upon any activity in these fields in which the Commission engages. I will conclude by repeating my tribute to the energy and pertinacity of the honourable Members active in this matter over the last number of years.

**President.** — I call Mr Osborn.

**Mr Osborn.** — Mr President, the relationship of the Community to Eurocontrol, as I see it, is very similar to its relationship to the European Space Agency. But I welcome the fact that Commissioner Burke made a contribution to this hearing and the fact that a member of the Commission took part throughout the hearing in Paris. I have throughout accepted that the

Commission's powers are limited, but I congratulate him in taking one step after another to find a way of involving the Commission in this field, and I thank him for his reply.

As I see it, Mr President, the challenge to the first directly-elected Parliament will be to demand of national governments appropriate collective action supported by the Commission and enabling the Commission to have a role. I believe political will concerns members of national parliaments as well as the other institutions, as outlined in Resolution 30, and any follow-up by the directly-elected Parliament could with advantage involve members of national parliaments. I still think national parliaments and national governments are still too insular in dealing with this particular matter. For that reason, I hope to use the work by Mr Noè and the Committee under Lord Bruce — that is the Committee on Regional Policy, Regional Planning and Transport — as the basis of a debate in one newly-elected parliament, namely the British Parliament, at the earliest opportunity.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, I should like to put one question to the Commissioner in view of the fact that, in the course of his remarks he seemed to be suggesting that safety rules must be offset against the whole question of the cost to air traffic. Now, I wonder if he would just make it clear that that is not the equation that he was drawing and that in fact it is tremendously important that someone should say quite clearly, that is better to pay a proper price for our ticket and have proper safety precautions, not only while you are in the airport but also while you are in the aircraft and in the air, than to have a cheap, overcrowded holiday trip that ends with a percentage of the holidaymakers killed or injured. He did rather appear to suggest that if we were to demand high overall air safety standards, we would in fact be putting this cheap holiday traffic at risk. If I may just say to him, that is not the attitude that I expect the Commission to take and I would be very grateful if he would make it clear that that was not his intention.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — I can give the assurance that that was not my intention. In making the remarks I did, I drew attention to some of the consequences which would arise but did not necessarily pronounce on the value, or otherwise, of those consequences.

I can assure the honourable lady that there is no difference of opinion between her and myself on this matter.

**President.** — I note that there are no further requests to speak. The motion for a resolution, as it stands, will be put to the vote tomorrow during voting time.

The debate is closed.

#### 10. Directive on misleading advertising

**President.** — The next item is the report by Lord Kennet (Doc. 36/79), on behalf of the Committee on the Environment, Public Health and Consumer Protection on the proposal from the Commission to the Council for a directive relating to the approximation of the laws, regulations and administrative provisions of Member States concerning misleading and unfair advertising.

I call Lord Kennet.

**Lord Kennet, rapporteur.** — Mr President, I should like to introduce this report on behalf of the Committee on the Environment, Public Health and Consumer Protection. I need not dwell on the importance to the people of the Community of the mammoth advertising industry nor yet on the way that some people regard it as an indispensable producer of wealth — not only a lubricant but an indispensable generator of wealth — while others abominate it as a wasteful intrusion into our perceptions. It is all around us, we all make our own judgments on it and for a committee rapporteur to make his judgment would be impolitic in the extreme. I think we all agree in this parliament, and certainly in the committee, that it is very well worth doing what we can to reduce that element of advertising which can be properly defined as either misleading or unfair.

Let me pause for a moment on those two words because it is not always immediately understood what the distinction is; they are quite distinct. In the meaning of this draft directive which is before the Parliament, misleading advertising is advertising in which the advertiser misleads the potential consumer by telling him untrue things about the goods. Unfair advertising is that in which he takes an improper advantage of his competitor by saying untrue things or implying untrue things about competitive goods or services in the same line of country.

All our countries regulate misleading and unfair advertising, but they do so in slightly different ways. As part of its consumer protection programme the Commission has very properly brought forward a draft harmonizing directive. It has done so before putting forward, under the consumer protection programme, laws regulating the advertising of poisons like tobacco, dangerous substances like alcohol and contentious substances like pharmaceutical products. They have done so before putting forward draft directives on advertising directed at vulnerable targets, particularly

children, and before putting forward a draft directive on advertising using a contentious medium. I am thinking particularly of telephone advertising. The laws on television and radio advertising in our different countries differ sharply and there is surely a case for harmonizing them as soon as possible. However, we mustn't complain about that, we must take the proposal which is before us and examine it on its merits.

The Commission proposals defines misleading and unfair in the way I have just, and it says two very important things. It says that the Member States must pass standard laws and must allow recourse to the courts by consumers, consumer organizations and competing advertisers who claim that advertising is misleading or unfair. That is the first thing. The second thing they propose is that the burden of proof in substantiating and advertising claim should be reversed and should fall from henceforth upon the advertiser and not upon the person complaining about the advertisement.

This draft directive has been a year in your committees, it has been before the Committee on the Environment, Public Health and Consumer Protection for the same period. The Consumer Protection Committee has had the benefit of two opinions from other committees, the Legal Affairs Committee and the Committee on Economic and Monetary Affairs. It has paid, naturally, particular attention to the opinion of the Legal Affairs Committee which rightly declared that the proposal to harmonize under Article 100 was acceptable — a point on which my committee was initially in some doubt — and it also endorsed regarding reversal of the burden of proof, a point about which we were also in doubt. With that authoritative opinion in hand we then proceeded to produce the report now before you. The report from the committee asks for two major changes in the draft directive.

It asks that the directive should admit recourse not only to duly constituted courts of law but also to administrative organs and self-disciplinary organs so long as the latter are kept under review by the courts, in other words, as long as these administrative or self-disciplinary organs themselves come under the jurisdiction of the courts. We also ask in our report that the reversal of the burden of proof should be limited to civil and administrative proceedings before the courts and should not apply to any criminal proceedings which might arise as a result of this directive. In other words the advertiser has got to prove from the start that his advertisement is true if it is an administrative or civil proceeding, but if it is a criminal proceeding it is the plaintiff who has to start from scratch to prove his case.

## Lord Kennet

A few more details : the Commission's proposals explicitly endorse comparative advertising, that is, comparing competitive products, which is not now allowed in all Member States, and ought to be. It also introduces the idea of a cessation order which empowers the court or tribunal or the authority or what ever to say not only have you done wrong in putting toward this advertisement but you must never do so again. And it introduces for the first time the idea of the corrective statement into Community law which empowers the court or the tribunal to order the advertiser to publish with equal prominence a statement correcting the falsehood or partial falsehood which he had earlier published.

The draft directive sanctions class actions, that is, one person going to court on behalf of a group of people, as opposed to solely on his own behalf, which is not the rule in all countries at the moment. It regards preying on fear and discrimination on grounds of sex, religion, race, colour and so on as unfair, and outlaws them in the same breath.

A couple of words about what it does not cover. There is I feel confusion here. The draft directive does not cover anything but promotion of the sale of goods and services. Consequently, it does not cover government advertising urging people to be careful about this or that and it does not cover religious or political advertising. Only commercial advertising. It does not cover statements which are not addressed to the public, and it does not threaten the established systems of self-discipline or administrative courts in any country. Whatever system is currently in operation in any country can and should continue under the directive, provided it is brought under the law in the last resort. The draft directive is deficient on that point. The Commission agrees with everything I have been listing so far.

I come now to the major difference between the Commission and the committee of the Parliament. I would say at this point that the committee has met four or five times. The Commission was present every time and took a most helpful part in our discussions. I have reason to hope that the amendments proposed by the committee to the full House have the support of the Commission and are as acceptable to it as they are to your committee.

Now the principal amendment is that my report provides a means of relating the self-discipline approach which exists at present in Britain to the 'courts only' approach which exists principally in Germany at the moment. It allows both to continue, it threatens the efficacy of neither, and I think in universal understanding will probably add to the effectiveness of the British self-discipline system.

I look forward with interest to hearing Commissioner Burke explain the Commission's intentions. I hope I have got them right. I hope I have made clear that the

amendments which we propose are quite important. They do not go against the spirit of the draft in any way. I hope Commissioner Burke will be able to confirm that they are acceptable to the Commission and, if I may, Mr President, I would like to know that I have the possibility of speaking again at the end of this discussion if any further points come up. With that I will conclude, and commend this committee report to the approval of the House.

**President.** — I call Mr Schwörer to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Schwörer.** — (D) On behalf of the Christian-Democratic Group, I wish to thank the Commission for this proposal and Lord Kennet for his interesting report. We agree with the report, for the following reasons. First, uniform regulation is needed in this area, because the effects of advertising go beyond the frontiers of the Member States. The aim is not only to prevent distortion of competition between those selling the goods, but also to regulate protection of the consumer, to ensure that he is not deceived by misleading advertising.

Article 100 is, in our view, a valid basis for the desired directive.

Second, we regret that important areas are not covered by this directive. They include pharmaceuticals, tobacco, alcohol, and advertising directed at children, and I agree with the rapporteur when he writes in his explanatory statement that the advertising of tobacco, or anti-smoking publicity, is really almost more important than those matters that will be covered by the present directive, for serious health problems are involved.

Third, we welcome the fact that the burden of proof is to be reversed. The manufacturer must now prove that his advertising claims are true, which is something he is better able to do than the consumer or his competitors, for he is more likely to have the technical details at his disposal.

Fourth, we also welcome the endorsement of comparative advertising, since this too stimulates competition, and competition is a good thing; indeed, it is one of the most vital sectors in our economic system.

Fifth, we support amendment of the directive on the lines which Lord Kennet has just described, whereby not only the courts, as the Commission originally intended, but also administrative authorities and the self-discipline approach of industry, are to be responsible for identifying and correcting inadmissible advertising. We do not, however, want this to lead to the creation of new bureaucracies and hence extra cost which will once again fall on the consumer. We want the decisions taken under the self-help approach or by administrative authorities to be verifiable. Anyone who is not satisfied with a ruling produced under this



**Schwörer**

system must be able to take the matter to court and obtain a decision there. But I would again emphasize that the aim of avoiding a further increase in the number of administrators is one on which our group is particularly keen.

Sixth, we have some reservations about paragraph 8 of the motion for a resolution, as this leaves detailed regulation of the procedure to the individual Member States. I take the view that, to ensure that the system applied is as uniform and fair as possible, the Commission itself should be mainly responsible for laying down the principles for monitoring advertising in this way and that only its direct application should be left to the Member States.

Seventh, we agree with paragraph 9 of the resolution. We should welcome more budgetary resources being made available by the Member States to guide consumers in their choice from the very wide range of goods available, especially the goods that are used daily. We therefore support the directive, because effective competition is one of the bases of the social market economy, which in our view does most to provide attractive prices for the consumer, thus helping to raise the standard of living in the Community.

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

**Mr Sieglerschmidt.** — (*D*) Most of us, Mr President, will realize again and again during the present campaign for the next European Parliament just how difficult it is to explain our work to the Community citizens; for many of the directives and regulations which we discuss in this House can only be brought home to the man in the street with great difficulty, by showing that, at the end of the day, they will directly affect him. When the subjects at issue include such wonderful things as combating swine fever, a matter we have aired in this House, the task becomes harder still. That is why I believe it particularly important that we should now be debating a second major directive in the field of consumer protection which will then, in so far as Parliament is concerned, be adopted. For consumer protection is, as the rapporteur has pointed out, an important aim of Community policy and one that does involve every member of the public — for every citizen of the Community is also a consumer.

This aim of Community policy has always steadfastly been supported by my group, the Socialist Group. We have never hesitated or vacillated when the strengthening of the rights of consumers in the Community has been at stake.

We therefore welcome this directive; the Commission proposal is largely in line with our ideas on a consumer-oriented approach to this subject. One or two details have — notably on the initiative of representa-

tives of my group — been clarified and improved further. That needs to be said, as does the fact that during discussions in committee, some attempts to add vague and disputable passages to this directive were successfully rejected.

I entirely agree with the comments made by the previous speaker, particularly with regard to the question of Article 100. We take the view that a directive concerned with advertising is closely bound up with the question of competition and that differing rules in the various Member States on unfair and misleading advertising will inevitably cause distortion of competition or at least are very likely to do so. Hence it is entirely appropriate to base a directive of this kind on Article 100.

Now the committee is proposing to amend Article 5 so as to add an administrative procedure — as I will call it — before the judicial one. I should like expressly to point out that the text proposed by the committee makes it possible, but not obligatory, for there to be ultimate recourse to the courts. We in the Socialist Group considered whether there was any point in incorporating in the directive a procedure which is not used in all the Member States, but only in a minority of them — if I may put it thus.

But we then took the view that if the purpose of the directive is not obstructed by the inclusion of such a tried and tested procedure in those Member States that use it, the urge to equalize should not be carried too far; there should not be harmonization for its own sake.

So a sound compromise — and I agree with the comments made by the rapporteur — seems to have been found. However, we take the view — and this is why amendments have been tabled by the Socialist Group — that one thing must be made clear. This does not mean that other Member States that do not have experience of these administrative procedures should see this as an opportunity to introduce such procedure for the first time. That is why these amendments, three of which are confined to this point alone, aim to make it clear that the matter is to be brought before an administrative authority — to quote the amendment — 'in those countries where such an authority already exists'.

There was one other point which we wanted to clarify in the text recommended by the committee, relating to the last passage of Article 5, which reads:

... and procedures shall exist whereby improper exercise by the authority of its powers or improper failure by the authority to exercise its powers can be reviewed by the courts.'

As I said before, this ensures that there is ultimately provision for judicial scrutiny in all the Member States. But what is not clear is who exactly is entitled to claim such scrutiny. It would be possible to conceive of a procedure of an institutional nature in

**Sieglerschmidt**

which the administrative authority had the opportunity to present such a case to the court on its own initiative, for instance. We feel that the fact that those involved in the procedure have the opportunity to request and initiate such scrutiny needs to be spelt out. This is, in my view, a highly important amendment, and one that will promote uniformity of procedure throughout the Community.

This directive, Mr President, looks like being the last on consumer protection for this Parliament, which will cease work when the direct elections take place. I hope it will not be the last directive ever on the subject. I urge the Commission to continue its consumer policy in the manner in which it has begun, for I think we all agree that strengthening of the consumer's rights is one of the most important tasks of European politics.

**President.** — I call Mr Noè.

**Mr Noè.** — (*I*) Mr President, Commissioner, ladies and gentlemen, I have very little to add to what Mr Schwörer, who expressed the group's support for Lord Kennet's report, has said. I simply wish to state that I am particularly in favour of the proposal in Lord Kennet's report calling on the Member States to entrust control of unfair competition to administrative rather than judicial bodies. My views, therefore, differ from those of the speaker who preceded me. We should be consistent. I would remind you that Parliament has already approved the first programme on consumer information policy in which we stated that the interested parties should have access to swift, effective and inexpensive legal recourse. This would be difficult in the case of recourse to the courts. I support Lord Kennet's proposal and ask my socialist colleagues not to insist on their amendment. In certain countries it is usual to refer such matters to self-disciplinary tribunals — which are basically what are being referred to — without the need to have recourse to the courts on every occasion, so I feel that it would be advisable to let these matters be dealt with in the way which offers the best chance of success. I therefore ask the Socialist Members to leave this possibility open and to avoid laying down strict requirements which could prove counterproductive.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, as Commissioner with responsibility for consumer protection, I especially welcome the report prepared by Lord Kennet and adopted by the Committee on the Environment, Public Health and Consumer Protection. I welcome it as a positive contribution to the progress of the proposed directive on misleading and unfair advertising. This directive is an important measure for consumers throughout the Community. I note that the report said that the

Commission's explanation of the directive did not provide facts to show that advertising increasingly reaches beyond the frontiers of individual Member States, but I am not sure that the Commission can be expected to prove the facts of life, and the international dimension of advertising is a fact of life. A great many advertisements cross EEC frontiers in newspapers and magazines. We have the example of Belgium, a country with no indigenous commercial television, whose population is exposed to advertisements on television transmission emanating from neighbouring countries. Every day, the the English-language advertisements from Radio Luxembourg are transmitted to the United Kingdom, beyond the control of the broadcasting authority which is the responsible body for controlling radio advertising in the United Kingdom. In the not too distant future we shall have television advertising via satellite. These advertisements will certainly cross frontiers. Advertising strategies may indeed be international. Looking very carefully, as I did, at the British parliamentary debate on this directive, one speaker who himself is a director of advertising companies, spoke thus, and I quote :

Several Honourable Members made the point that international advertising is not a feature of today's world. With respect, that is not entirely true. There is an increasing incidence of campaigns being created in one country. Admittedly, they are put into another language, but the basic copy point is kept common, and the basic message is quite often kept common. I think that we shall see this developing over the next few years. It is not something that is declining. We should not delude ourselves that there are not pan-European campaigns, because there are.

Perhaps the most significant aspects of our proposed directive are the remedies proposed to combat misleading and unfair advertising. Critics of the directive have regarded the approach which it embodies as a direct attack upon self-regulatory control of advertising — that is to say, control of misleading and unfair advertising by the advertising industry itself.

Nothing could have been further from the intention of the Commission. Indeed, if you look at Article 7 of the proposed directive, it clearly envisages the continued existence of self-regulation. The effort made by the advertising industry to control the less satisfactory aspects of its activities is wholly praiseworthy. It not only involves considerable effort and devotion of time on the part of advertising executives, but also the employment of the industry's own financial resources. Self-regulation can work well. It can be an effective force for restraining misleading advertisements. The truly important contribution of Parliament's consumer protection committee is to indicate the conditions in which self-regulation is acceptable as a means of controlling misleading and unfair advertising. In effect, these are contained in the amendments proposed to Article 5 of the Commission's text. First

**Burke**

the advertising industry is not be judge in its own cause. Secondly, the self-regulatory authority should be obliged to give reasons for its decisions. It should not exercise its functions in a purely arbitrary manner. Thirdly, it should be under an obligation to exercise its function. It would be most unsatisfactory if a self-regulatory body, having taken on the task of controlling misleading and unfair advertising, were to shrug its shoulders and decide not to bother with such complaints. Fourthly, it is important that such bodies should not abuse their function, for example by failing to apply reasonable standards. Finally, the amendment proposes that judicial review of the self-regulatory process must be possible. This is most important. Ultimately, where disputes cannot be resolved by other methods, recourse should be available to the courts.

By all means let the advertising industry operate a self-regulatory system. If successful, it will weed out most infringing advertisements. However, there will always be a few which will slip through the net. Should they be permitted to continue in circulation is a question which might be posed. My answer is that I think not. The fact that the advertising industry had done its best to ensure that they are not published, or are withdrawn from circulation, is no reason for failing to take action to protect consumers against misleading or unfair advertisements which do slip through the industry's net.

Mr President, I have concentrated on these aspects of the report because, as I mentioned, it is an important contribution and one which I trust will go a long way towards making the directive acceptable to those Member States which have expressed reservations. I should like to make one further point because it concerns an aspect of the directive which has caused some concern. This is the provision which relates to the reversal of the burden of proof where an advertiser makes a factual claim. Here I should explain that the Commission did not envisage a change in the procedural burden of proof. When a case is brought before a court, one of the parties has to open and present it. That party calls whatever evidence he needs to support the case. From time to time, during the course of a case, the burden of producing evidence may shift from one party to another. It is only to this evidentiary burden of proof that the provision of Article 6 relates in proposing the rule, generally accepted in advertising, that an advertiser who makes a factual claim must be able to support it. Of course, what I have said generally does not apply in criminal proceedings, where it is for the prosecution to prove their case and not for the defendant to prove his innocence. The Commission's proposal leaves it open to Member States as to whether they adopt the directive into their criminal, civil or administrative systems. So there is no compulsion for the rule to be adopted in criminal law. Nevertheless, I note the amendment

proposed by the committee, and undertake that this will be given due consideration in formulating amendments to the proposed directive.

Coming now to some of the points made more particularly in this debate, I noted especially the desire of a number of Members to have a widening of the scope of the directive in that I was asked about problems such as the abuse of tobacco and alcohol, and the problems associated with advertising and children. I might tell the House that we in the Commission are not unmindful of these wider problems, and have in fact launched a study on advertising and children. But as I did in the previous debate in regard to our transport services, I would like to point out to the House that in the area of consumer protection the Commission's resources are limited.

I am very much aware that there are vulnerable sections in our society, and indeed can undertake that we will, as resources allow us, make special studies of these and, as time permits and as resources allow, produce further proposals as time passes by.

May I come now to the point made by Mr Schwörer, who expressed concern that Article 8 could lead to disparities between Member States because it enables them to take additional measures about the protection of consumers. But I would ask the House to note that they can do so only consistent with their Treaty obligation, i. e. not in order to create obstructions to trade in the European Economic Community. The point of the Commission's proposal is that we felt it unacceptable to ask Member States to harmonize down to a Community standard if they have, or want to have, higher standards of consumer protection in a genuine desire to support the consumer.

Turning finally to the amendments before the House, I would draw attention to the fact that there are four such amendments, and that 1, 2 and 3 are in effect one amendment. In addition, in Article 5, the three references to administrative authority would be qualified by the addition of the words 'wherever it exists'. This seems perhaps discriminatory and inappropriate in a harmonization directive. The greater prominence given to self-regulation in the amendment makes this form of control a necessary first step in the control of misleading and unfair advertising if Member States choose it, but it does not rule out the possibility of judicial review. I therefore do not see the value of the amendments. Member States can choose whether control should be exercised by an administrative authority. Even if they do, the proposed wording in the report does not rule out judicial review. Turning to amendment No 4, which seeks a judicial review of self-regulatory bodies to be available at the instance of consumers and consumer associations — I paraphrase here — the Commission agrees that this is a useful clarification and can be accepted.

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

**Mr Jung.** — (*D*) I beg your indulgence, Mr President, for speaking a second time at this late hour. I want to do so because in at least one respect we take a different view with regard to the report by Lord Kennet, on which incidentally we congratulate him — and I should like to thank him, on behalf of the Liberal and Democratic Group, and to stress that the dual aim of the Commission's proposed directive has our unreserved approval; that is, we approve, on the one hand, the harmonization of national legal provisions on misleading and unclear advertising, so as to prevent distortion of competition in the Common Market; and on the other, the achievement of some measure of consumer protection at European level.

As to the amplification by the rapporteur, Lord Kennet, of the Commission proposal, to allow not only judicial proceedings but also appeals to administrative authorities, this seems to us — as was clear in the comments made by the previous speaker — rather less successful. I ask your indulgence, Lord Kennet, since I am unfamiliar with the British system and may therefore be doing it less than justice. But if we are going to have harmonization, it should apply to all the Member States concerned, without laying down special measures such as, in this case, those in favour of the British system of self-regulation. But I may possibly take a kinder view of the amendments which have already been tabled, if I can obtain rather more details of the efficiency of that system.

Article 2 of the Commission proposal summarizes what is meant by unfair and misleading advertising. The Liberals reject the rapporteur's proposal to delete the only escape clause contained in Article 2, since consumer protection would be gravely impaired if the right of appeal related only to a restricted list of a series of cases. But like the rapporteur, we too take the opinion that while the proposed directive is controversial and far-reaching in some respects, it is none the less well founded and should therefore be adopted; we shall accordingly be voting in favour.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (*D*) Mr President, Mr Burke, naturally I realize that you are particularly familiar with the procedure in, say, Great Britain and therefore consider it to be effective; but would you not agree with me — and I should just like to ask you this one question — that while it is quite possible to permit tried and trusted procedures in one or another Member State, in connection with a directive of this kind, if they do not actually contradict the aims of the directive, in some circumstances it may be very helpful to use the directive expressly to prevent the introduction of such procedures in other Member States?

Do you not agree, Mr Burke, that in places where this procedure would first have to be tried out, it could in

some circumstances just result in lengthening the consumer's path to the courts and may consequently — as I say, apart from cases in which it is already established — not be regarded as useful for the Community as a whole?

**President.** — I call Lord Kennet.

**Lord Kennet, rapporteur.** — Mr President, I should like first of all to thank Commissioner Burke for the welcome he has given to our proposed amendments and I agree with all speakers that this ought to be a very useful measure when it is introduced. I think we are in some danger of prolonging and complicating things, and my prime concern now is to get this report voted without objections or difficulties of any major kind.

When Commissioner Burke said that he found Amendments 1 to 3 unnecessary, I hope I am right in interpreting that as not being an objection to the amendments. Of course I cannot speak for my committee because, although this matter has been debated at enormous lengths in it and a very detailed and sensitive compromise has been reached, yet we did not discuss the actual possibility contained in Amendments 1 to 3. However, I will say this to the House, when it comes to the vote I am prepared to recommend the House to accept the amendments because I do not see anything wrong in them myself. If the Commission does find on further examination that they really are discriminatory then after all, all it has to do is not to pay attention to the advice of Parliament. But perhaps I should say when it comes to the vote: I am neutral, as rapporteur I must be neutral on this point.

With regard to Amendment No 4, on the other hand, I propose to go against my own rule and to introduce a difficulty. Commissioner Burke said that he found it useful. Now, in my heart I entirely agree with him. I think it is splendid to specify that the people who have recourse from the self-regulatory authority to the courts of justice of the country are precisely the consumers and consumer associations which we seek to protect. But I still have another voice of ordinary justice, and I am afraid it is not always only the consumers who may be offended by a judgement of a self-regulatory authority. I fear that sometimes advertisers may be offended by a judgement of a self-regulatory authority. The authority might say, yes, that was an unfair or misleading advertisement and the advertiser might be left with a burning sense of injustice. I cannot really see why he should not have the same recourse — to the higher court, as it were, — as the consumer.

Now, I wonder if my friend and colleague Sieglerschmidt does not really agree with me. It cannot be his purpose to limit appeal to a higher court to only one side of the case. — I see he agrees —. Now,

**Lord Kennet**

perhaps I could ask him, Mr President, if he could make a procedural proposal at this point because there is before the House Amendment No 4 which does do precisely that, and I do not think that is his real intention.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Mr President, there already is another amendment which exactly reflects the points Lord Kennet has just raised. Unfortunately, it has not yet been distributed. Perhaps it would be possible for you, or the acting President, to solve this slight procedural difficulty tomorrow during the vote on the amendments — when it will certainly be available — in such a way that we have a sensible result, for the Commission itself has stated that it regards this as a useful clarification.

**President.** — I call Mr Noè.

**Mr Noè.** — (I) I am in possession of only three amendments — not four. I am, therefore, not in a position to express a valid opinion on the proposal.

**President.** — Mr Noè, I share your predicament. However, as Mr Sieglerschmidt has spoken in favour of his amendment I consult Parliament as to whether Amendment No 4 should be put to the vote tomorrow.

Are there any objections?

That is agreed.

I call Lord Kennet.

**Lord Kennet, rapporteur.** — On a point of clarification, Mr President, the House has decided that it will vote on four amendments tomorrow afternoon at 3.45 p.m., although there are some Members who have not seen any of them, and others who have not seen one. I just want to be perfectly clear that I have understood it correctly, because it is a slightly vulnerable position for the rapporteur when the moment comes. That is correct, is it?

**President.** — Four amendments will be put to the vote. I note that there are no further requests to speak. The motion for a resolution, together with the amendments which have been tabled so far will be put to the vote tomorrow during voting time.

The debate is closed.

#### 11. Agenda for next sitting

**President.** — The next sitting will take place tomorrow, Tuesday 8 May 1979 at 10 a.m. and 3 p.m. with the following agenda:

- Decision on urgency of an oral question, a motion for a resolution and a proposal for a directive
- Nyborg report on construction products
- Nyborg report on Community transit
- Bayerl report on rights of the individual in the face of data processing
- Oral question with debate to the Commission on Community supplies of raw materials
- Dunwoody report on equal pay for men and women
- Joint debate on the Albers reports on the Tripartite Conference and an oral question to the Commission on the meeting of the Council of Ministers of Social Affairs of 15 May 1979 (this question will be taken if Parliament votes in favour of urgency)
- Bertrand report on the European Centre in Berlin
- Oral question without debate to the Commission on migrant women in France
- Possibly, Ripamonti report on the draft supplementary budget No 2 for 1979
- Ripamonti report on the draft estimates of Parliament for 1980
- Shaw report on the Financial Regulation

3.00 p.m.:

- Question Time (questions to the Commission)

3.45 p.m.:

- Voting time

The sitting is closed.

(The sitting was closed at 8 p.m.)

## ANNEX

*Action by Commission on European Parliament opinions at April part-session*

1. The European Parliament at its part-Session in April 1979 in response to requests by the Council for consultation adopted 20 opinions on Commission proposals to the Council.

2. In the following 15 cases its opinion was in favour :

- Report by Mrs Cassanmagnago-Ceretti on a decision setting up a joint programme to promote exchanges of young workers (Doc. 91/79).
- Report by Mr Spinelli on a decision empowering the Commission to contract loans (Doc. 45/79)
- Report by Mrs Cassanmagnago-Ceretti on a decision introducing a Community system of information on road accidents
- Report by Mr Broeksx on the proposals for regulations concerning food aid for 1979 (Doc. 121/79)
- Report by Mr Nyborg on 7 directives relating to the approximation of legislation in several technical fields (Doc. 53/79)
- Report by Mr Jung on a proposal for a directive on own-account carriage of goods by road (Doc. 50/79)
- Report by Mr Lemp on a proposal for the conclusion of an EEC/Canada fisheries agreement (Doc. 35/79)
- Report by Mr Liogier on a proposal relating to the common organization of the market in fruit and vegetables (Doc. 72/79)
- Report by Mr Albertini on the eradication of African swine fever in Malta (Doc. 73/79)
- Report by Mr Ney on the eradication of African swine fever (Doc. 34/79)
- Report by Mr Ney on financial aid for the campaign against foot-and-mouth disease in South-East Europe (Doc. 32/79)
- Report by Mr Ney on Community measures against classical swine fever
- Proposal relating to marketing limitations on certain dangerous substances (Doc. 16/79)
- Proposal concerning a tariff quota for wines originating in Algeria (Doc. 41/79)
- Proposal relating to marketing limitations on certain dangerous substances and preparations.

3. In five cases it proposed amendments, which in three cases the Commission accepted :

- a) *Report by Mr Ibrügger on a decision concerning coal and coke for the Community steel industry* (Doc. 69/79)

The Commission's departments have begun work on an amended proposal which be adopted by the Commission during the week and forwarded to the Parliament and Council forthwith.

- b) *Report by Mr Spinelli on a regulation concerning Community aid for industrial restructuring and conversion operations* (Doc. 637/78)

The Commission's departments have begun work on an amended proposal which will be adopted by the Commission during the week and forwarded to the Parliament and Council forthwith.

- c) *Report by Mr Calewaert on a directive concerning liability for defective products* (Doc. 71/79)

The Commission's departments have begun work on an amended proposal which cannot be adopted until a few weeks from now, given the large number of amendments requested by Parliament.

4. In the following two cases :

- *Report by Mr Notenboom on a regulation concerning interest rebates for certain loans with a structural objective* (Doc. 84/79);
- *Report by Mr Cointat on a proposal for the establishment of an Administrative Tribunal* (Doc. 37/79).

The Commission explained at the sitting why it wished to keep the proposals as they stood.

5. Lastly, in accordance with the undertaking given during the debate on the resolution tabled by Mrs Walz on behalf of the Committee on Energy and Research, the Commission will, in the course of this week, make a statement to Parliament on the accident at the nuclear power station at Harrisburg. In the meantime the Commission will have forwarded a document to the Members of Parliament.

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IN THE CHAIR : Mr COLOMBO

*President*

*(The sitting opened at 10.05 a. m.)*

**President.** — The sitting is open.

1. *Approval of the minutes*

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

Are there any objections?

The minutes are approved.

2. *Documents submitted*

**President.** — I have received :

(a) from the Council, requests for opinions on :

- the proposal from the Commission of the European Communities to the Council for a regulation amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities (Doc. 156/79).

which has been referred to the Committee on Budgets :

- the proposal from the Commission of the European Communities to the Council for a tenth Council directive on the harmonization of the laws of the Member States relating to turnover taxes, supplementing Directive 77/388/EEC — application of value added tax to the hiring out of movable tangible property (Doc. 158/79),

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

(b) report by Mr Shaw on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council (Doc. 156/79) for a regulation (ECSC, EEC, EURATOM), amending the Financial Regulation of 21 December 1977 applicable to the General Budget of the European Communities (Doc. 161/79) ;

(c) oral question without debate by Mr Mascagni, Mr Masullo, Mr Pistillo, Mr Spinelli and Mrs Squarzia-

lupi to the Commission on the teaching of languages in the Community countries by persons specially trained to teach their native language (Doc. 159/79) ;

(d) a report from the Court of Auditors on the Joint European Torus (JET) which has been referred to the Committee on Energy and Research and to the Committee on Budgets ;

(e) from the Commission

- Twelfth General Report on the activities of the European Communities in 1978 : Report on the development of the social situation in the Communities (Doc. 157/79) ;

which has been referred to the Committee on Social Affairs, Employment and Education as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Consumer Protection for their opinions :

- memorandum on the accession of the European Communities to the Convention on the preservation of human rights and basic freedoms (Doc. 160/79) ;

which has been referred to the Political Affairs Committee as the committee responsible, and to the Legal Affairs Committee for its opinion.

3. *Decision on urgency*

**President.** — The next item is the votes on various requests for urgent debate, pursuant to Rule 14 of the Rules of Procedure.

I consult Parliament on the adoption of urgent procedure for the oral question with debate tabled by Mr Van der Gun on behalf of the Committee on Social Affairs, Employment and Education, to the Commission on *preparations for the meeting of the Council of Ministers of Social Affairs and Labour on 15 May 1979* (Doc. 141/79).

The reasons supporting this request for urgent debate are contained in the document itself.

Urgent procedure is adopted.

**President**

I propose that this oral question be entered on the agenda for today in joint debate with the two reports by Mr Albers (Docs. 31/79 and 147/79).

Are there any objections?

That is agreed.

I consult Parliament on the adoption of urgent procedure for the motion for a resolution tabled by Fellermaier and Mr Pisani on behalf of the Socialist Group on *the review of the common agricultural policy* (Doc. 155/79).

The reasons supporting this request for urgent debate are contained in the document itself.

Urgent procedure is adopted.

I propose that this motion for a resolution be entered on the agenda for Thursday, 10 May 1979, after the Caillavet report (Doc. 128/79).

Are there any objections?

That is agreed.

I consult Parliament on the adoption of urgent procedure requested by the Council of Ministers in respect of the proposal for a directive on *the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and jellying agents for use in foodstuffs* (Doc. 143/79).

The reasons supporting this request for urgent debate are annexed to yesterday's minutes.

I call Mr Klepsch to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Klepsch.** — (D) Mr President, my group takes the view that urgency is not required in the case of this proposal. Firstly, as the experts of my group have pointed out, it is a rather complicated matter and we fail to see why it should be subjected to emergency procedure during this particular part-session. We are of the opinion that routine committee procedure would be appropriate.

**President.** — I call Mr Baas.

**Mr Baas.** — (NL) Mr President, unfortunately the chairman of the Committee on the Environment, Public Health and Consumer Protection is unable to be with us, and I should like to make one remark on behalf of that committee: this is a very complicated matter, and, what is more, the five-year transitional period will expire in June. The problem of adding certain substances must be discussed, and there is a legal vacuum with respect to the industrial production of a number of articles. I would therefore ask Parliament to approve an extension of the deadline so that this proposal may be referred to the committee responsible. We are therefore proposing not to support the Commission's proposal, but instead to extend the five-year transitional period by one year so that we have enough time to consider the Commission's proposal in the new Parliament. Mr Klepsch is correct when he says that this is a very complex proposal, and I think

it would be wrong to allow a legal vacuum to arise such that on 24 June 1979 it becomes possible once more to add certain substances to foodstuffs in the Community: I object very strongly to this.

I regret that the Commission itself did not propose extending the deadline by one year, since that would have solved all the problems temporarily. I therefore urge that the proposal be referred to the committee responsible so that tomorrow it may deliver its opinion, and then we shall see whether a compromise may be reached in this matter.

**President.** — At this point we have to decide whether or not to accede to the request for urgent procedure, and the problem is for the time being therefore one of merely procedural interest. The question of substantive merit remains an open one, which may be posed in the following terms: either to accept the directive in the form in which it has been presented or to provide for the extension for one year of the existing legislation.

In any event I take note of your statement in favour of urgent procedure.

I call Mr Brown to speak on behalf of the Socialist Group.

**Mr Brown.** — Notwithstanding the point that Mr Baas has made, nothing new has arisen, in our view, to justify the request for emergency debate this morning. My group is not in favour of this emergency procedure either, because the Council could have come forward at any time to make these proposals. Furthermore, may I remind the Council they are sitting on about a hundred directives on which they ought to be making decisions, and if they are going to deal with them all in this way, coming forward at a very late stage, then we are in a bad way of business. I hope the House will refuse the emergency this morning.

**President.** — I call Mr Noè.

**Mr Noè.** — (I) Mr President, the fact is that this subject has not yet been considered by the committee. In view of the increasing use of additives I think that the matter warrants full consideration. We cannot therefore support the request for urgent procedure nor does the committee feel it can give a hasty opinion on the matter. A discussion during tomorrow's sitting is therefore out of the question. It would be better to wait until all the committee members have the information necessary to enable them to give a considered decision.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, I would like to say on behalf of the Group of European Progressive Democrats that we too feel that it is inappropriate to use the procedure for urgent debate for this matter and therefore support Mr Klepsch's proposal.

**President.** — We will therefore proceed in the following manner: Parliament will now decide whether or not to accord urgent procedure, it being understood that if this is refused, the committee will be able to meet to propose an adequate provisional solution such as will not infringe the deadline.

I put the request for urgent procedure to the vote.

Urgent procedure is rejected.

#### 4. Directive on construction products

**President.** — The next item is the report (Doc. 30/79) drawn up by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs on

the proposal from the Commission to the Council for a directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to construction products.

**Mr Klepsch.** — (D) Mr President, on behalf of my group, I wish to request that the report by Mr Nyborg (Doc. 30/79) be referred back to committee. I think it only fair to make this request now rather than wait until the debate has begun. My group wants this report referred back to committee for three reasons. Firstly, we take the view that the Legal Affairs Committee should be consulted. Secondly, we feel that, failing this, numerous amendments to the report would have to be tabled, which would make its adoption extremely complicated. And thirdly, we are of the opinion — and regard this as a particularly important point — that use of the proposed procedure would result in a reduction of Parliament's prerogatives to the advantage of the Commission. We have no desire to take such a far-reaching decision now that the new Parliament is about to take office because if we are to limit Parliament's powers of influence and leave the decision to the Commission alone, then, in the opinion of my group, it would be better for such a restrictive decision to be taken by the new Parliament rather than on our initiative so to speak before the new Parliament can start work.

It is for these three reasons that my group wants the report referred back to committee.

**President.** — I shall call one speaker to speak in favour of this request and one against.

Mr Nyborg has requested to speak against this request.

I call Mr Nyborg.

**Mr Nyborg, rapporteur.** — (DK) Mr President, I feel bound to say that this proposal from Mr Klepsch does not come unexpectedly, it is part of a specific tactic adopted by the Christian-Democratic Group or, perhaps more accurately, by Mr Schwörer. I would be very sorry if this Assembly were to follow the course proposed by Mr Klepsch because we have worked on this matter for four years and have finally succeeded

in getting the Commission to put forward the proposal desired by Parliament. I feel that it would almost be an infringement of this Parliament's dignity if we were to adopt Mr Klepsch's proposal and if, after finally obtaining from the Commission after a period of four years the proposal we wanted, we were to refuse to consider it and to accept our responsibility but were to refer the matter to the next Parliament. I would therefore ask the Assembly to reject the proposal made by Mr Klepsch. We should deal with this matter here and now.

**President.** — Mr Rippon has asked to speak in favour of the request.

I call Mr Rippon.

**Mr Rippon.** — I share the views expressed by Mr Klepsch, and I hope this matter will not be considered today. There is a long list of amendments and it is a very controversial matter. Even if it has been discussed for four years I think it is right that we should adopt the procedure which Mr Klepsch has suggested.

**President.** — I put the request for a referral back to the vote.

Since the result of the vote is doubtful, I shall call for a vote by sitting and standing.

The request is rejected.

I call Mr Nyborg to present the report.

**Mr Nyborg, rapporteur.** — (DK) Mr President, when presenting a report yesterday I unfortunately had to note disagreement between the Committee on Economic and Monetary Affairs and the Commission on a number of important points. Happily, the position is different today. The Commission's draft directive on the harmonization of national provisions relating to construction products meets the wishes that have long been cherished by this Parliament.

We have a long agenda today and I will not therefore dwell on points of detail but I would like to emphasize that, during the last five years, Parliament has repeatedly urged the Commission to introduce a more streamlined decision-making procedure for the removal of technical barriers to trade.

In our view, this is an area where the Community can usefully, and should, make greater use of the power under Article 155 of the EEC Treaty to authorize the Commission to issue detailed technical implementing provisions. On several occasions, the Heads of State and Government have expressed the wish to make greater use of this means of transferring certain powers to the Commission, but what the Heads of State and Government express a wish for is one thing and what is actually agreed in the Council of Ministers is quite another.

## Nyborg

The Committee on Economic and Monetary Affairs feels that if agreement cannot be reached on granting these powers to the Commission in connection with the removal of technical barriers to trade, it is hardly likely that other areas will be found where it will in practice be possible to grant the Commission any reasonable degree of power.

More specifically, the construction industry is one of the most important industrial sectors in all Member States and includes a relatively large number of small and medium-sized firms. Nevertheless, it has to be said that neither the building materials industry nor the consumer have to any appreciable extent been able to benefit from the establishment of the common market. Of the major industrial sectors within the Community, the construction industry is probably the one that has had least opportunity to exploit the establishment of the common market and this has had adverse consequences for economic integration, the exploitation of technical progress, the trend of prices within, and the international competitiveness of, the building industry.

At the same time, we know that good housing at a reasonable cost is one of the principal requirements of the population in all the Member States. It is the Commission and not us that has chosen construction products as the area where the more streamlined decision-making procedure is to be tried out. Nevertheless, I would like on behalf of the committee to express our satisfaction both with the fact that the Commission has now submitted a proposal for the application of a more streamlined decision-making procedure and that a start has now been made on eliminating barriers to trade specifically within the construction sector.

As regards the decision-making procedure, Mr President, I am obliged despite the lack of time to go into some detail, as I cannot confine myself to the extensive treatment of this question in the explanatory statement.

In Articles 27 and 28 of the draft directive the Commission proposes to apply the procedure for the adoption of implementing provisions, according to which the Commission's implementing directives must be submitted to a committee consisting of representatives of the Member States. If a qualified majority of the committee agrees to the Commission's proposal, it may be adopted by the Commission. Failing that, the Commission must submit a proposal to the Council. The delegation of powers to the Commission is therefore conditional. The Committee on Economic and Monetary Affairs wishes to go one step further by granting the Commission both full authority and full responsibility for the removal of the technical barriers to trade applicable to construction products. Otherwise, we will be perpetuating a system that encourages

the evasion of responsibility and under which the Commission can make the Member States accountable for the lack of progress and the Member States can pass the buck back to the Commission.

We are well aware that in this House too there are Members who are hesitant about delegating this responsibility to the Commission. This is also the reason why we in committee spent the greater part of the time discussing possible ways of exercising control over the Commission's activities in this situation. We propose that the Commission should as far as possible use such common standards and norms for products as already may be agreed internationally. We would also assign the Commission responsibility for deciding what organization and special interest groups are to be consulted when drafting implementing directives. We feel, however, that as a general rule the most appropriate means of consulting the parties directly concerned would be to involve the Economic and Social Committee in this work, this being possible under Article 198 of the Treaty.

Actual political control of how the Commission has used the powers granted to it through this outline directive should, in our opinion, be based on an annual report drawn up by the Commission. On this occasion it would be possible for us politicians to conduct a dialogue with the Commission that is not of the same pseudo-technical nature as at present but one that can become a genuine political discussion. I am well aware that some will say that the control Parliament can exercise on the basis of an annual report of this nature is not really control at all and that the Commission can simply disregard the wishes expressed by Parliament. I do not really agree with this. On the contrary, I am convinced that the Commission will take greater account of a debate of this nature in Parliament than of the discussions we currently hold on individual technical directives.

As a further guarantee for those who might be hesitant about delegating these powers to the Commission, we have incorporated in the proposal a safety valve by requiring the Commission, after application of this directive for a number of years, to submit proposals for the possible revision of the provisions in the outline directive. This means that if, at the appropriate time, Parliament is not satisfied with the way in which the Commission has taken account of the wishes expressed in connection with the annual report, it will, like the Council, have an opportunity to take away again from the Commission the powers which we today propose conferring on it. I, too, naturally have misgivings about delegating to a public agency powers that may have major economic implications for industry. With my background in national politics I understand, perhaps better than anyone else, the desire to curb and not increase government by technical experts.

## Nyborg

Nevertheless, I can fully support the proposal being debated here today because it will entail more efficient public administration and the far more rapid removal of the technical barriers to trade that are on the point of giving us all ulcers. There is no question however, as may appear from a rapid reading of the proposal, of increasing government by experts.

Under the present procedure the same technical details are discussed first by the Commission, then by the European Parliament and the Economic and Social Committee and finally by the Council. This is a real instance of government by technical experts consuming an unreasonably large amount of time, costing an unreasonably large amount of money and helping to impede the establishment of the Common Market. What we are proposing is to cut a path through this by giving the Commission the power to say to the national experts that we have beaten around the bush long enough. We are strengthening the Commission's position in relation to the national experts and special interest groups. This cannot, in my opinion, be called increasing government by experts.

All of us here are probably agreed that, so far, progress has been too slow. I also have the impression that there is a growing awareness in the national capitals that the administrative and technical barriers to trade that people are having to contend with every single day, are developing into a greater impediment to trade within the common market than customs duties and quantitative restrictions were in their day. Something must be done. Whether what we are proposing will prove to be the definitive solution I cannot say today, experience will show, yet it is our — I am tempted to say — duty to give this decision-making procedure a chance to show its practical worth.

Deep down we all hesitate when faced with taking such a decisive step but in this matter we must stand together and put aside our disagreement on points of detail. We all know that this proposal is hardly likely to have an easy passage through the Council working parties and it is essential therefore that we not only stand together here in the European Parliament but that, together with the Commission and, possibly, the Economic and Social Committee too, we demonstrate our determination to the Council to secure the introduction of a more streamlined decision-making procedure enabling us to eliminate the technical barriers to trade. This is something that is expected of us both by our peoples and by industry.

No new procedure is involved and no change, interpretation or application of the provisions in the Treaty are required. What we are advocating is that the Council should take a political decision to make greater use than hitherto of Article 155 of the Treaty; the matter is really as simple as that.

Mr President, only yesterday 25 amendments were tabled to my report, all by the same author. Allow me

to use some of the time I would otherwise be entitled to for the next item on the agenda to deal with these amendments that were tabled so late in the day.

First of all, I should like to make it clear that there is no need to refer this matter back to the committee as was proposed earlier by Mr Klepsch. Even though the specific amendments have not been discussed in committee, they relate predominantly to problems that were at the very centre of our deliberations. This is also clear from the speech I have just given in presenting the report. I can therefore without difficulty take up a position on these amendments without any need for further discussion in committee.

Before I do so, just one small *cri de cœur*. I am astonished that we should today be required to take up a position on 25 amendments. Mr Schwörer, who is a respected member of our committee, has had every opportunity to put his views in committee. Discussion of this Commission proposal has taken place only at meetings where it was on the agenda. If Mr Schwörer could see that he would be unable to be present at the discussion, what would have been more simple than for him to ask one of his colleagues in his group to raise the matter or to have circulated these 25 amendments in writing? During the last 14 days I have repeatedly asked Mr Schwörer for these amendments, but in vain; I only received them yesterday. I regret having to say this to Mr Schwörer but I feel that the manner in which he has proceeded in this matter is not worthy of our committee and it is difficult to gain any other impression than that this is a deliberate attempt at procrastination aimed at preventing the present Parliament from completing discussion of the matter. I would be very sorry if this attempt were to succeed.

As everyone in this House will recall, we are the ones who have proposed that the Commission draw up a new decision-making procedure. The question has been discussed repeatedly both in committee and here in plenary since 1974. If we now refer the matter back to committee, how would the new directly elected Parliament be able to form any other opinion than that there had been major disagreement on this question? Furthermore, there was unanimity in committee with the report being unanimously adopted, and then Mr Schwörer comes along and proposes 25 amendments, including amendment No 8 according to which Parliament should return on another occasion to the issue of how a more flexible decision-making procedure might be devised. Naturally I cannot deal in detail with all the amendments but allow me to characterize them with a few typical examples.

I have mentioned No 8 and will not do so again. I do, on the other hand, have a number of comments on amendment No 21. Mr Schwörer and others propose here that a committee should be set up, and I quote, 'which shall have the task of submitting proposals for

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implementing directives to the Commission'. What Mr Schwörer proposes is that, in this field, we should deprive the Commission of its right of initiative as enshrined in the Treaty. What kind of nonsense is this? This is the first time I have heard a so-called responsible politician in this Parliament make a proposal of this nature.

The last amendments on which I wish to comment are Nos 12 and 23, in which Mr Schwörer proposes that Parliament should reject the proposal enabling approved bodies in the exporting country in certain situations to certify whether the importing countries' provisions have been complied with. This point was a decisive one for us in committee and the proposal now to delete this passage can only be interpreted to mean that Mr Schwörer opposes procedural simplifications aimed directly at creating a common market as rapidly as possible, simplifications moreover, that will be of special benefit to the large number of small and medium-sized firms in this sector. Mr President, those were my comments on the 25 amendments. I would like to have it placed on record with regard to this afternoon's vote that I, on behalf of the committee, reject all 25 amendments.

*(Applause)*

## IN THE CHAIR: MR SPÉNALE

*Vice-President*

**President.** — I call Mr Luster to speak on behalf of the Christian-Democratic Group (EPP)

**Mr Luster.** (*D*) — Mr President, the proposal which the Commission has forwarded to Parliament for an outline directive on construction products is viewed by my group as a particularly valuable initiative from the technical, economic and, above all, legal point of view. The rapporteur is to be thanked for all the effort he has put into this report. It is certainly true that Parliament has already devoted much time to discussion of this question in a general context. However, it is also true — if we are to go by the report — that this very complex question was dealt with at only two meetings of the Committee on Economic and Monetary Affairs and, if I am correctly informed, only very briefly at the second of these meetings after it had been announced that the matter would be discussed at a later meeting, with the result that a number of members were absent.

It is a reflection of the particular significance and political importance of this proposal — and the rapporteur should be grateful and not surprised in this respect — that Mr Müller-Hermann, Mr H.W. Müller and Mr Schwörer, fellow-members of my group, should have dealt in such detail with the proposal and

the connected motion for a resolution tabled by the Committee on Economic and Monetary Affairs.

As the rapporteur himself points out in Paragraph 8 :

This means in the rapporteur's view that the European Parliament should give very careful attention to this proposal for a directive since the principles laid down will apply for a wide range of products and it will be difficult to amend them later.

The rapporteur should therefore appreciate it if there are members in the house willing to support him, at which point I should like to add that this directive is of an experimental nature. Although it is specifically designed for construction products, there is a danger that if we approve it hastily and without due caution, it could easily be used at a later stage as a model for other fields.

The outcome of my colleagues' deliberations has been presented to you in the form of the 25 proposed amendments previously mentioned, in which connection I would point out that I would have great misgivings about dealing with them without debate. Moreover, I am sorry to note that the rapporteur will be unable to attend the discussion of the amendments.

The fact that there is such a large number of proposed amendments should make it clear that we are faced here with a proposal for a directive which still leaves a great deal of room for discussion. The seriousness of the problems still to be solved can be demonstrated by reference to a number of the proposed amendments.

As the rapporteur says himself in Paragraph 28, the Commission proposal only half solves the problem and, to quote the rapporteur once again, can hardly be described as ideal.

I would refer firstly to the problem raised by the fact that only the outline directive itself is to be subject to the consultation procedure laid down in Article 100 of the EEC Treaty while the individual directives are to be dealt with by committee procedure. Under the committee procedure, the Commission would have the right of initiative and proposal and could circumvent the committee's proposed amendments or votes against by referring its own proposals to the Council of Ministers. For its part, the Council of Ministers would presumably be unable to issue a decision before the tight three-month time limit allowed it expired, with the result that the Commission — whose powers, with all due respect, we do not wish to see extended to the detriment of Parliament — would issue its proposals as a directive. The Commission's intention to speed up the drafting of directives is to be much welcomed and we wish to lend it our support. In my view and that of my colleagues, any solution which led to a monopolization of legislative powers by one Community Institution would have to be firmly

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rejected. Solutions of this type would in fact contradict the principle of the separation of powers, which is a standard feature of the constitutions of all the Member States of the Community.

I feel that the European Parliament should see this as an appropriate opportunity for carefully considering whether and to what extent the Commission which *per se* is an executive body, should be endowed with legislative or semi-legislative powers.

The draft motion for a resolution tabled by the Committee on Economic and Monetary Affairs, according to which, for the drawing up of individual directives, the Commission would not even be required to follow a committee procedure and, without being subject to any control, would be empowered to take decisions by virtue of another Community arrangement, appears, in my view, to overstep the mark by far.

Allow me to add that it would surely be wrong — and the Committee on Economic and Monetary Affairs appears to have become ensnared in this misconception — to regard the directive on the removal of technical barriers to trade as a mere technical trifle which can be left quite calmly to the experts.

Ladies and gentlemen, these directives could well place quite crucial economic demands on the industries of the Member States. If this is the case, the work on these directives, which may be thought modest but which it would nonetheless not be incorrect to see as implementing directives, cannot and must not be left to the administrative body, i.e. the Commission, alone. Another very important question is whether such a comprehensive outline directive is really needed in the field of construction products. There are, after all, only relatively few such products which would be affected by the unrestricted movement of goods across the borders of the Member States. Economic factors such as the level of transport costs in relation to the value of the goods, the great differences in climate between north and south and the very different requirements of industrial, public and private consumers in the various Member States are characteristics peculiar to the construction sector which naturally impose major restrictions on the supra-regional movement of goods. That these factors are intrinsic to the sector and cannot be substantially affected by means of harmonization directives is shown by the example of the United States. The American market is not split up by trade borders and yet only very few construction products are subject to supra-regional trade.

In the explanatory statement to the outline directive, the Commission puts forward very impressive figures to demonstrate the economic importance of the European construction market. However, on closer inspection, it soon becomes apparent that these figures amount to a really superficial — if you will excuse the

expression — game of numbers, which does not provide the slightest indication of the proportion of the total output of the construction sector which is traded across the borders.

Allow me to comment on a few particular points. If I refer here to the overwhelming number of producers and manufacturers affected by the directive — and the rapporteur has said as much himself — it is to point out that they belong to the small and medium-sized category of construction enterprises and therefore to ask whether, given the nature and volume of the administrative regulations laid down in this directive, expenditure and effect are in correct proportion to each other here. Small and medium-sized businesses are particularly sensitive to overloading with administrative procedures. If the directive is really to succeed in its aim to further the development of the construction sector, limits to administrative expenditure must be stipulated here and now rather than in the individual directives. For example, it must be made clear in Article 2 or Article 4 in what cases the approval, examination, verification and certification procedures are to be applied.

The directive should above all be purged of regulations which involve senseless expenditure such as Article 23 on the registration of self-certification statements.

In my view, another basic point to be singled out for criticism is the fact that Article 30, which governs the introduction of construction products into circulation for which no individual directives have yet been enacted, has not been properly thought out. Provision is made for a procedure of mutual recognition of tests. In this connection, the national regulations and standards of the EC importing country will be applicable to the tests carried out in the EC exporting country. This procedure means nothing more than the setting up of a system of bilateral recognition of national rules and regulations. I find it hard to see what this has to do with European harmonization — speaking in inverted commas. An EC regulation is not needed for this purpose.

In my view — and here you will forgive me if I speak not as an economist but as a lawyer, if I may lay claim to this daring epithet — the sum total of all this appears to be, Mr Rapporteur, that the motion for a resolution tabled by the Committee on Economic and Monetary Affairs cannot be adopted as it stands. A number of crucial points are in need of amendment. Account must be taken of the objections of those very parties whose development is to be promoted by means of the outline directive on construction products. A great deal of thought will, above all, still have to go to the consequences of transferring legislative tasks to the Commission. I therefore regret the fact that the request of my group to have this matter discussed once again by the Committee on Economic



## Luster

and Monetary Affairs and the very relevant legal points discussed by the Legal Affairs Committee. As a result, we are faced with the cumbersome procedure of dealing with 25 draft amendments. The fact that there are 25 of them, Mr Rapporteur, does not mean that they are not worthwhile but rather that there is still a lot to be considered.

I thank you for having listened so attentively to someone who was not closely involved in the deliberations, a fact which might prompt you to say, 'So what can he know about it?' However, it sometimes happens that people who have been involved with one thing for a long period cannot see the wood for the trees and that a clearer view of matters is obtained when one becomes acquainted with them at a later stage. This is the approach I have tried to adopt.

**President.** — I call Mr Lange.

**Mr Lange.** — (D) Mr President, ladies and gentlemen, I regret very much that I am obliged to oppose the views put forward by Mr Luster. They are the views of some of the members of the Christian-Democratic Group, and I stress some of the members. The matter that you now want to see thought out more carefully Mr Luster, was considered by the Committee on Economic Affairs — and actually Mr Schwörer can vouch for this — that we as a parliament asked the Commission to submit proposals along these lines pursuant to Article 155. However, you now want simply to turn the clock back to the early 70s.

Mr Luster, there is no need for all of us to act as if this Parliament was a parliament of technical experts. This Parliament consists of politicians, and this was particularly clear when we were considering the problems connected with the elimination of obstacles to trade in the matter of high and low frequencies. No Member of this Parliament could speak with expert knowledge on this matter, unless he happened to belong to the particular profession in question. However, all we were concerned with was to make a political decision on these questions. Our intention is to remove technical non-tariff barriers to trade, and we have to remove them on the basis of political considerations. You can bring in all kinds of legal arguments if you like, Mr Luster, but they do not entail any diminution of Parliament's authority or responsibility. We are simply not in a position to take decisions on such matters, and if you just take a close look at how matters of this kind are handled at national level, you will see that they are not dealt with by the national parliament. It would be completely wrong to suppose that the Bundestag, to take the German example, would consider and decide on questions of this kind. All it does is to set out the political principles and guidelines, and it is the wish of this Parliament in regard to the matter we are discussing

that the Commission should do this in its proposals, since there has been complete agreement between Commission and Parliament on this point.

The Commissioner responsible for this matter at that time, Mr Gundelach, had done the appropriate groundwork, because one must also realize why from the very beginning of the Community every measure intended to further the removal of technical barriers to trade was dealt with just as this has been. According to the then President of the Commission this was done in order to create a feeling of trust between the members of the Community, so that no Member State felt that it was being bypassed. However, one simply cannot go on using this method forever and ever, because all these matters of a technical nature put too many and altogether superfluous demands on Parliament's time. This then is why we have submitted our proposal, as Mr Nyborg has explained it. It is in perfect agreement with Parliament's original position. Now you want us to depart from this position. You must, however, realize that you are ignoring completely the factors that led to this position being taken up in the first place. I wished to make this comment, Mr Luster in order to give you a further opportunity to reflect again on the whole matter. You said at the beginning that some colleagues were not there; well, that after all is the situation that you have in every committee meeting. According to the minutes, the Christian-Democratic Group was represented by four members and that surely must be enough, when you consider that eleven or twelve Members took part in the final committee meeting at which the matter was decided upon and adopted.

That, then, is no argument. I am not going to say anything either about the 25 amendments. I do not intend to go into the reasons that they were tabled. I would only point out that by acting in this way we are not doing Parliament any service. Anyone that cannot attend a meeting should ask one of his colleagues to represent him there and make the points that he is prevented from making himself at the meeting. This does not seem to me to have been done in this instance, and to come along then and foist the whole thing on the directly elected Parliament is completely ridiculous, because the directly elected Parliament will certainly have other things to occupy its mind in its early stages while it is getting established and getting its work under way. If we do this therefore we will be only putting the whole matter back even further. Furthermore, there is a body that we have asked to examine these technical questions and that seems to us, at any rate, to be particularly well equipped to do so. That is the Economic and Social Committee which, after all, is composed of representatives of associations, organizations, etc. This body is therefore in a far better position to deal with these matters than our Parliament here.

## Lange

I would therefore ask you every earnestly, Mr Luster, and this of course goes also for Mr Schwörer, to forego these 25 amendments so that the matter can be dealt with along the lines proposed by Mr Nyborg. All the other legal difficulties you have explained may be valid from your point of view, but they do not affect the question of constitutionality or conformity with the Treaties. We appeal to Article 155 of the Treaty, and there we rest our case. You feel that there could be other difficulties. However, I would only say to you quite frankly that I should not like to leave it to the lawyers to decide under what conditions technical obstacles to trade are to be removed. This is first and foremost an economic question, which should on no account be decided by the legal experts along the lines you have indicated.

**President.** — I call Mr Schwörer.

**Mr Schwörer.** — (D) Mr President, ladies and gentlemen, in the course of their speeches Mr Nyborg and Mr Lange have addressed their remarks to me in person at a number of points. Now, of course, they are perfectly entitled to do so. However, my dear Mr Nyborg, you yourself personally assured me at the last committee meeting, when the vote was being taken, that there would be no further discussion of this directive, with the result that three colleagues left and were still away that evening. For that reason Mr Lange could not table the amendments in the Committee on Economic and Monetary Affairs on that day. So it was you yourself that did it, Mr Nyborg! You told me afterwards that it was a matter of some embarrassment to you that things had gone in this way. I am only saying this now to set the record straight.

We were left, therefore, with no other option but to deal with the matter in this way. Furthermore Mr Lange, I should like to point out that it is not my amendment only, but also the amendment of Mr Müller-Hermann, who shares my views, and Mr H. W. Müller. Both these gentlemen are members of the committee, both were present and both had to leave, after you assured us that the matter would be put back.

We discussed this Commission proposal for one hour at most in the Committee on Economic and Monetary Affairs. It is true, of course, that we have been discussing this matter for years, but there is no difference of opinion about the basic principle that the Commission should be given more power in the matter of implementing the removal of obstacles to trade. I am all for this principle, we are all for it, in fact, our entire group is solidly behind it.

The only question in my mind is whether this proposal is going to help us to achieve that. That is the reservation I have. I am very sorry, but I must tell you that I agree with Mr Lange that we, in this Parliament, are snowed under with technical matters. There is no

doubt that we cannot deal with all these matters as efficiently as can the experts in the Commission and in other bodies. There can be no doubt whatever of that. I feel that, in the case of this directive, we are dealing with a document that is not so clear-cut that it can be used as a pilot directive for all other areas. I know well, Mr Nyborg, what you are referring to. You know and other colleagues also know that I come from the building industry. I must tell you, however, that I personally am not affected in any way by this directive. It is perhaps true that I do understand something about approval procedures and about technical harmonization between various sectors, but I should like to say only that if we are looking upon this directive as a pilot directive, it could equally well be given some other label, such as, for instance, a directive on the automobile industry or something like that. However, it is intended to serve as the basis for future procedure in all areas, and therefore I would not have opposed it, had it not been labelled 'construction', rather than any other area that was being dealt with here for the first time and that was intended to serve as the basis for future procedures.

This is why it seems to me to be so important that this directive should be carefully considered. If Mr Nyborg, as rapporteur, says that the European Parliament should examine this proposal for a directive very carefully, since the basic principles laid down are valid for a wide range of products and can only be amended at a later date with great difficulty, this is precisely the reason why we must go into the matter in greater detail, and this is exactly what we would have done, Mr Lange and Mr Nyborg. We are not accustomed to simply sweep matters under the carpet in our committee; we discuss them thoroughly. However, the point at issue here is that this Parliament is now about to conclude its work, and all matters that are still pending must somehow be disposed of quickly. I doubt very much whether that situation is good enough in the case of this very important directive or whether that is what we had intended.

The details of this proposal for a directive were not discussed at all and subsequently it was voted on *en bloc*. A proposal for a directive containing 15 paragraphs was voted on *en bloc* at the end of the normal committee meeting time, when, as has been pointed out, a number of the committee members had already left because of Mr Nyborg's assurance. This is why I have opposed the proposal for a directive as I have done. As I said, my entire group and I have no objections whatsoever to the basic idea behind the directive, provided that certain improvements can be introduced into it to make the procedure less bureaucratic and less expensive, especially for smaller and medium-sized undertakings, because for them this procedure would be a strain, if they had to act strictly in accordance with its provisions. If something more could be

## Schwörer

done by way of delimiting precisely the scope and the field of application of the directive, my group would be prepared to vote unanimously in favour of this proposal, and our amendments were directed solely towards achieving this end.

I am convinced, Mr Lange, that if we had discussed these amendments in committee, you would have associated yourself with some of them. In fact, you in particular would have done so, because you are always the one that says that we should not be setting up additional bureaucracies and additional arrangements. In the case of this directive, however, this is precisely what is being done; new arrangements are being set up. Arrangements that have been in force up to now are not to form part of the new procedure, although they have always done their work adequately up to the present. These are the only issues being aimed at in our proposed amendments, and I can go through them paragraph by paragraph and explain that. You admitted to me that what I have done together with Mr Müller-Hermann and Mr H. W. Müller was very sensible in many cases. If we were to go into the whole matter in detail, it would probably take us far outside the boundaries of this discussion.

However, I should like to say only in conclusion that if this is to be a pilot directive, then it must be debated with particular thoroughness.

Secondly, the building industry's own internal arrangements must be given a part to play, as they have done up to the present. In fact, this was precisely the decision we took yesterday when debating another directive on the advertising industry, and we took this decision, Mr Lange, in response to a British amendment tabled by a member from your own group. Lord Kennet argued that the advertising industry's existing internal arrangements should be incorporated into the procedure in question, if advertising were not to become unfair. However, this is exactly the same thing that we want to have in regard to the directive we are discussing ourselves, namely, that these internal arrangements should be incorporated into the new technical procedures and should continue to be used as they have always been used.

One final word! I am in favour of our giving the Commission implementing powers in this matter. However, these powers should be based on a perfectly clear understanding in regard to the field of application and other matters of this kind, so that we do not find at a later stage that these technical directives entail so many legislative functions that the Commission should not be obliged to carry them all out itself and that all of us probably would not wish the Commission to have them.

**President.** — I call Mr Nyborg.

**Mr Nyborg, rapporteur.** — (DK) Mr President, I shall refrain from replying to all the detailed points

raised in Mr Schwörer's speech but I would like to say that I find it extremely odd that Mr Schwörer should try to give me the blame for the fact that he does not have time to attend the meetings of the committee and that he leaves them early. Mr Schwörer approached me and asked whether I thought that the matter would be considered on the day in question and I told Mr Schwörer that I did not think so. However, I am not the chairman of the committee and cannot therefore promise Mr Schwörer anything. It is very fortunate that we have a dynamic chairman who, contrary to my expectation, raised the matter and put it to the vote. Furthermore, the committee was quorate, Mr Schwörer, and into the bargain included some members of your own group, who joined in voting for this report. It was adopted unanimously. Mr Schwörer, what kind of nonsense is it to give other people the blame for the fact that you did not have time to attend to your work?

I hope that Mr Schwörer will listen to reason and withdraw his 25 amendments — they are irrelevant.

**President.** — I call Mr Pisani.

**Mr Pisani, chairman of the Committee on Economic and Monetary Affairs.** — (F) Mr President, it is I who must take responsibility as chairman of the Committee on Economic and Monetary Affairs. This matter has been on the table for several months and, on my proposal, the committee felt that it should be treated as a matter of urgency. It is difficult to decide whether, every time a technical problem emerges during a particular procedure, Parliament should seize on it and immerse itself in a detailed analysis which will perhaps mean something to a few experts but nothing at all to the majority of Members, or whether Parliament should simply consider the question in political terms and ignore the technical aspect at the risk of making mistakes.

Both these attitudes are unacceptable. We mustn't let ourselves be sidetracked by technical aspects but neither can we ignore them and that is why, after lengthy consultations, we finally proposed the procedure which has now been adopted. The idea is that in cases where technical aspects don't raise any general economic or political problems, the procedure can run its course without interruption. This is how our national procedures work and part of every Council meeting is devoted to matters which are simply mentioned without being discussed.

The whole committee feels that the attitude which has been adopted takes account both of the technical and economic aspects involved and of Parliament's responsibilities.

With regard to the case in point, far from criticizing Mr Schwörer, I should like to apologize to him. It is regrettable that lack of time and the urgency of this matter have prevented us from discussing his amend-

**Pisani**

ments. I would have preferred us to discuss them in committee and to analyse the details in greater depth. This simply wasn't possible. But does this mean that, as has in effect been suggested, we should throw away the opportunity to discuss the matter this week, before this Parliament is dissolved? In my opinion Mr Klepsch's request for referral to committee and Mr Schwörer's refusal to withdraw his 25 amendments to the same thing, i.e. the report would have to be discussed at another part-session.

However, I think I speak on behalf of the whole committee when I say that whatever regrets we may have, it is important for Parliament to discuss and adopt the Nyborg report because we must make positive progress in this field. It is precisely these technical obstacles which, while being the least perceptible to public opinion, are the most insidious and serious obstacles to the construction of Europe, and unless we adopt both a firm political stance and effective procedures, these obstacles will continue to be insuperable however committed we are to the Community.

While apologizing again to Mr Schwörer I would urge Parliament to adopt the Nyborg report in its present form.

**President.** — I call Mr Davignon.

**Mr Davignon, Member of the Commission.** — (F) Mr President, I have no wish to delay the House but, after what has been said, it is essential for the Commission to make its position quite clear. Let us first consider whether a directive of this type is necessary at the present time and whether it complicates or simplifies the situation. I note from one of the amendments tabled by Mr Müller-Hermann and Mr Schwörer that industry does not feel that the Commission's proposals reflect its wishes. Shall we all produce our evidence? I can show you the Commission's technical file containing records of all the discussions we had with industrialists, who suggest the line our proposals should take. Obviously, not all undertakings approve our measures but then neither can it be said that they all oppose them. I would like to make it quite clear that this is not true.

Mr Schwörer said that our proposals would seriously complicate the position of small and medium-sized undertakings. Should we except an undertaking in any country to comply with all the standard, safety and registration controls in the nine Member States without knowing what to expect from some of them? The complaints we receive from industrialists against the various practices in one or another Community State reveal the extent of the existing complications and bureaucratic difficulties. We cannot be accused of complicating the situation because we in fact wish to exercise less control and to do so once not nine times.

Secondly, we must assess whether our proposal deprives Parliament of its right to exercise control and

to deliver an opinion. I was astonished to hear the arguments put forward by the opponents of this proposal. What we have done is to propose to Parliament a directive based on Article 100 — exactly as we have done in the past in the case of harmonization. It is this directive on which Parliament is asked to deliver an opinion. The difficult part comes with the drafting of implementing provisions or special directives — the terminology shouldn't be a problem — concerned with the technical application. It is here that we must check whether the directive retains its force and whether it is in danger of losing all meaning because the implementing provisions will never be used.

In response to a request by Parliament, we have proposed a procedure based on Article 155 and I told the Committee on Economic and Monetary Affairs that Parliament should naturally have the opportunity of exercising political control if it was dissatisfied with the way things are being done.

I accept the opinion of the Economic and Social Committee which is going to provide Parliament and its committee responsible with the technical information needed to assess whether the application of the directive complies with Article 155. Then we shall know whether we are being bureaucratic and complicating the situation or whether, on the pretext of harmonization, we are creating absolute chaos. We have undertaken to report annually on the development of the situation and to consult the sectors concerned.

As Mr Pisani has said, Parliament is not in a position to devise the technical aspects, even within national legislation — there as Mr Lange pointed out, it is concerned with implementing texts — but it can be informed about these technical aspects and hence make a political assessment.

Moreover, should a proposed implementing directive not receive a favourable opinion from the persons concerned — representatives of industry, social sectors, users, States — we could quite easily forward these negative opinions directly to the responsible committee of Parliament to enable the latter to draw our attention to this situation in the form of oral or written questions for example.

Thirdly, I was astonished to suddenly hear the Council of Ministers being defended, as if it only had three months to take a decision on the technical aspects.

As everyone here knows, this just is not the case. Before being proposed, the implementing texts are discussed in detail with industry and with the Member States; the Economic and Social Committee is also consulted. The Council would be consulted on the implementing provisions if there was a difference of opinion between the Commission which submits the

## Davignon

proposals and the experts who consider them; it has to deliver its opinion within three months. These three months are provided for the Council to make a political choice, not to re-open a technical debate. It is unreasonable to defend the Council, when for a long time we have realized that a major part of the work involved in eliminating technical barriers is being held up by the Council's failure to act!

Finally, how can the European Community progress if we create a situation in which no-one decides anything? What powers has Parliament if no-one takes any decisions? By delegating powers to the Commission, in accordance with the procedures laid down in the Treaty, Parliament is in a position to exercise control. And yet the Council is preferred to the Commission, despite the fact that the Council cannot be obliged to take a decision and that it can simply leave things as they are. Is this the way to improve the situation?

Obviously, there may be different opinions on our proposals as far as the specific technical aspects are concerned. In a sensitive sector such as the building industry, different opinions and proposals may be put forward concerning the technical aspects, but the important point is to make a beginning.

Could the authors of the amendments not think again about this matter? To propose that an authority over which Parliament has a power of control should be responsible for implementing these measures surely does not involve an infringement of Parliament's powers? I honestly thought that by proposing that the Commission itself should be responsible for application and hence subject to sanction by Parliament, we were facilitating a genuine democratic debate. I am beginning to wonder whether the authors of the amendments have properly understood what they are asking us to amend.

**President.** — I note that there are no more requests to speak.

The motion for a resolution — with the amendments which have been tabled to it — will be put to the vote this afternoon at voting time.

The debate is closed.

## 5. Agenda

**President.** — I inform you that the Committee on Development and Cooperation does not at present intend to make a report on the accession of St Lucia to the Lomé Convention. Consequently this item is withdrawn from Thursday's agenda.

## 6. Urgent debate

**President.** — I have received from Mr Hamilton, Mr Brown, Mr Ellis, Mr Dalyell, Lord Bruce of Donington, Lord Castle, Mr Fitch, Mr Edwards, Lord Ardwick, Lady Fisher and Lord Kennet a motion for a resolution with a request for urgent debate, pursuant to Rule 14 of the Rules of Procedure, on a single seat for the executive and parliamentary institutions of the Community (Doc. 164/79).

The reasons supporting the request for urgent debate are contained in the document itself.

Mr Hamilton has informed me that he is withdrawing his motion for a resolution on the same subject (Doc. 4/79) which had been referred back to the Political Affairs Committee on 23 April 1979, pursuant to Rule 25 of the Rules of Procedure.

I shall consult Parliament on the adoption of urgent procedure for this motion for a resolution tomorrow morning.

## 7. Regulation on Community transit

**President.** — The next item is the report (Doc. 103/79) drawn up by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs on

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

- I. a regulation amending Regulation (EEC) No 222/77 on Community transit (Doc. 551/78),
- II. a regulation laying down the conditions under which a person may be permitted to make a customs declaration (Doc. 609/78).

I call Mr Nyborg.

**Mr Nyborg, rapporteur.** — (DK) Mr President, as rapporteur for the Committee on Economic and Monetary Affairs it is a great pleasure for me once again to be able to present a report on proposals that will promote the smoother functioning of the customs union.

I naturally agree that if we look at each individual proposal separately they represent a rather limited step forward. On the other hand, it can be said that the customs union and the internal market are a field in which we are continually making progress, albeit on a small scale. Everyone in this House knows that the practical implementation of the customs union and the internal market is a subject of major concern to the Committee on Economic and Monetary Affairs. Today, we feel able to say that our persistent, and some will perhaps say obstinate, emphasis on this problem is beginning to evoke a response.

Nyborg

We have a particularly sympathetic partner in the Commission and Commissioner Davignon, and I would like on this occasion to say that the Committee on Economic and Monetary Affairs owes Mr Davignon and his staff a considerable debt of gratitude for their very constructive cooperation. If this cooperation continues, and I certainly believe it will, practical implementation of the customs union and the internal market will be one of the fields where the new directly-elected Parliament will have the greatest scope for playing an active part in introducing effective and non-bureaucratic legislation at Community level.

However, in conversations with businessmen, officials, special interest organizations, etc., I am also daily receiving new information showing that in the various capitals it has been realized that the situation will become impossible if each single member country sticks to its national traditions. It is precisely this maintenance of national traditions and the desire to incorporate them in Community legislation that have prevented us from making further progress than we have done and that have ensured that, in certain areas where Community provisions have been introduced, we have devised solutions that are very difficult for firms to live with and that make the situation more difficult than before we joined the common market. I also feel able to detect a growing understanding of this problem in the Council; this was at least quite clearly reflected during the German presidency. However, we have not come far enough. The Community's vitality reveals itself not only in the new tasks that it takes on but also in whether the very foundation of the Community is operating effectively and, if that is not the case, then the Community will lose credibility.

I will not on this occasion discuss in detail the five-year programme for the implementation of the customs union drawn up by the Commission, as we have not had an opportunity to discuss it in committee. Personally I find the five-year programme a good thing, as it helps us all to see the Commission proposals in a broader context and to improve everyone's understanding of why Community rules are necessary. However, the programme will never be able to stand in isolation, it must be followed up each year and, not least, the Council should be required to review at fixed intervals what has been achieved at Community level so that we can see whether it is sufficient to justify the European Community being proud of its efforts. A great deal was achieved in the past year and, if the Commission programme for 1979 holds good, very considerable headway will also have been made this year.

The long and the short of it is, however, that the Member States in particular must be made to under-

stand that it is essential to introduce common customs legislation that systematically and, on the basis of a uniform text, covers all customs systems and procedures. If we do not achieve a common customs law and common application of this law, there will continue to be a basis for mistrust between the national customs authorities and we will be unable to create the conditions that are necessary to enable the national markets to merge into one unit. The Commission has an important task to perform here, that of creating the necessary understanding within the national customs authorities. I am not over-optimistic about how quickly this understanding and cooperation can be established. I unfortunately have had experience in this respect from my own country yet I believe it is essential that the Council should, in a way that the national customs authorities can understand, express its opinion that the practical implementation of the customs union and the internal market are one of the Community's principal tasks.

The customs union must be implemented as originally intended, not least in the present economic situation. If we are to restore full employment in the Community, and this we must, this will be achieved not only by framing specific policies for the various industries, through investment grants, etc., but just as much by creating the economic conditions for an internationally competitive industrial sector and, here, the creation of a large home market with great purchasing power plays an extremely important and essential role.

**President.** — I note that there are no more requests to speak.

The motion for a resolution will be put to the vote as it stands this afternoon at voting time.

The debate is closed.

#### 8. *Rights of the individual in the face of data processing*

**President.** — The next item is the report (Doc. 100/79) drawn up by Mr Bayerl on behalf of the Legal Affairs Committee on

protecting the rights of the individual in the face of technical developments in data processing.

I call Mr Bayerl.

**Mr Bayerl, rapporteur.** — (D) Mr President, ladies and gentlemen at its April meeting the Legal Affairs Committee unanimously adopted this report on the protection of the rights of the individual in the face of technical developments in data processing and asked me to give the House an oral explanation of the report.

If the Community is to function properly, there must be not only an exchange of ideas, opinions and infor-

**Bayerl**

mation, but also an exchange of data, even personal data. The Economic Community must have at its disposal a system of smooth and efficient communications and should be a free data zone. After the USA the Community has the heaviest concentration of data processing centres, and again after the USA it is the biggest importer of data in the world. Accordingly, as telecommunication systems are expanded, this cross-border data-flow will increase even further. However, an international trade in data, over which there is no control, jeopardizes national sovereignties and can adversely affect the interests of the Community and of the Member States. Moreover, this is a technological development that threatens the citizens of the Community in their private and personal domain and in the matter of their personal rights. For this reason a harmonized legislation within the European Community on data protection is essential and inevitable. It is one of the fundamental duties and priorities of any democratic society that is concerned for the freedom and personal integrity of its citizens. The politicians must carefully distinguish between what is technically possible and what is legally permissible and block the use of technological innovations until such time as they are seen not to be a threat to personal integrity. We are all aware of the uneasy qualms felt by many of our citizens at the information net woven around them by public authorities, but indeed also by private industry; the citizen must often feel as if he had been turned into a man of glass.

Data protection legislation is intended to make the citizen once again master of his own affairs rather than just a number in a system. He must be protected against becoming just a mere supplier of information to be used for any purpose whatsoever. This is why some Member States — Luxembourg, France, Denmark and the German Federal Republic — have enacted their own data protection laws, following the example of Sweden which introduced an extremely effective data protection legislation in 1973. The other Member States are about to adopt legislation of their own or are working hard on preparations for it. In all the Member States, however, it has become clear to us that these national protection laws are not sufficient in themselves to give the citizen effective protection, that they can distort competition between the Member States and that they can lead to transfers of data to countries with less effective data protection legislation or even to data havens. These national legislations, since they are not uniform throughout the European Community, tempt or force some Member States to introduce protectionist measures in respect of crossborder data-flows. This does not advance the integration of the Community and gives the citizen no protection, because we all realize that there is no machinery for controlling data being exported from one Member State to another. As far as the importation of data into Member States in concerned, there is absolutely no possibility whatever of exercising effective control over this.

The Commission and Parliament have therefore been continuously and insistently pressing ever since 1973 for a harmonized data protection legislation to be adopted within the Community in the form of a directive, but unfortunately they have had no success with the Council. As far back as 1975 Parliament unanimously backed the view that a Community directive on individual freedom and data processing was a matter of urgent necessity, not only to protect the citizen against misuse, but also to prevent the emergence of conflicting national legal provisions. This objective was not achieved. At that time I had pointed out that in almost all Member States we already had conflicting data protection laws. That is why Parliament has once again taken the initiative and submitted this report to you, and I would ask you to vote in favour of the report. We did not content ourselves with simply asking the Council for the umpteenth time to adopt finally a harmonized data protection legislation within the European Community; in a recommendation we also set out detailed proposals as to how we visualized the content of this data protection legislation. Given the present legal position in the Community, any harmonization can only result in an extremely high level of protection for our citizens. We made our recommendations an integral part of the motion for a resolution. We feel that harmonization is essential and that it must be carried out speedily, because otherwise the other Member States will adopt their own legislations and because the already existing data protection systems, such as those in the German Federal Republic, France, Denmark and Luxembourg, will have become so entrenched that it will be extremely difficult and expensive to modify and harmonize them.

We felt that the directive on data protection legislation must be open-ended so that it could be used to provide solutions over a larger spread of territory, because it is simply essential that the Community should see to it that the legislation can be extended in the Council of Europe or within OECD and that it should do the preparatory groundwork for such an extension. We have therefore taken account of this requirement in our recommendations and in the motion for a resolution.

In making our recommendations we, by which I mean the Legal Affairs Committee, first had to decide what legal model we wanted to see used in legislating for data protection within the Community. You are aware that there are two models on which the various legislations are based. The German Federal Republic and the USA rely on a self-regulatory system with a supervisory body to check on abuses, whereas France to a great extent and Denmark entirely follow the Swedish model, which provides for compulsory regis-

**Bayerl**

tration and authorization. The Legal Affairs Committee felt that we should choose this latter for the Community directive, because it protects our citizens more effectively. In the case of a percentage of the data banks, which will not be higher than 20 or 30 %, it makes it possible to be extremely flexible at the authorization stage and thus prevent any possible abuses.

We then had to answer the question as to whether, unlike the legislations of other countries, our data protection legislation should also cover manually processed data. We felt that it should and that we could protect our citizens adequately and effectively only if manual data files were subject to the same conditions as automatically processed data. Otherwise it would be far too simple to abstract the sensitive data from the automatic processing system and process them manually. Furthermore, we were aware that in the medical field in particular sensitive data are often processed manually. They require to be given the same protection. Furthermore, we were unanimous in our opinion that in the interests of competition and of the economy, but also in the interests of effective protection, personal data in the public sector should be treated just the same as personal data in the private sector. We then in our recommendations, if I may draw your attention to this, set out in three different sections minimum standards that must be observed in an effective data protection legislation. In Chapter I we developed and demanded minimum standards for data banks; we demanded that both manual and computerized data should be subjected to prior registration or authorization. We also felt that particularly sensitive data should be treated in a special manner and that it should be permissible to store or process it only with the express consent of the person concerned or with special legal authorization.

We added that the registration and authorization procedure must be used only for the designated purposes, and in our report we obliged the data banks to inform the persons concerned when their personal data are first stored. We also decided and laid down that data controllers shall be liable for any damage caused to a particular person by the misuse of data or by errors in data processing, even where they are not guilty of any negligence, in other words, that material and non-material damage must be made good, irrespective of the question of negligence.

We feel that if data protection is not to remain a dead letter, we should set out clearly and unequivocally the rights of those concerned and see to it that they are in a position to make use of these rights.

There is also an obligation on the part of data protection bodies to see to it that citizens are informed of their rights and encouraged to make use of them. As a

matter of public law each citizen should have the right to be informed of the storing of his personal data and to be able to have them erased or corrected where this is appropriate. However, in order to make it as easy as possible for the citizen to avail himself of his rights in this matter, we feel that it should be possible for him to exercise them completely free of charge. There should be no question therefore of any fees or costs. In the third section — I shall keep my remarks brief, because after all you have the report in front of you — we suggested some instruments that we need in order to guarantee the correct implementation of data protection legislation and of the directive in the Member States. We felt that each Member State should be invited to set up a body — whether this is to be a committee or a data protection ombudsman, as is the case in some countries, can remain an open question for the present — that would be independent in regard to funds and staff and that would be entitled to check on the way in which data protection legislation was functioning.

The Community will have to set up an independent body, which should, we feel, consist of one representative from each of the national data protection bodies and an equal number of Members of this Parliament. This body should be independent as regards financing and staff and should be under the chairmanship of a Member of Parliament. It must undertake an obligation to make an annual report to Parliament, the Council and Commission, so that the information and experience channelled into it from the Member States can be brought to bear, where necessary, on the legislation to be enacted.

I should like to avail of this opportunity, Mr President, to thank very sincerely the Secretariat of the Legal Affairs Committee and its staff, who have done trojan work. It was by no means easy, and it is not often that Parliament can issue such a solid report on such a difficult subject with such varying legal situations in the different Member States. We in the committee could do it only because the Secretariat supported us so valiantly. On behalf of the Legal Affairs Committee therefore I should like to thank the Secretariat and its staff very sincerely. And I should like to ask you very earnestly, ladies and gentlemen, to vote in favour of the report, so that the Council can finally be invited to take action at long last on this matter in the form of a directive.

*(Applause)*

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

**Mr Holst.**— *(DK)* Mr President, the Socialist Group welcomes this report and we would like to extend our thanks to Mr Bayerl, without whose continual effort and great knowledge this report would not be what it



**Holst**

is. The Socialist Group does not oppose technological progress but perhaps we do have in mind George Orwell's '1984' with Big Brother watching over us. Faced with the fantastically rapid rate of technological development in the field of information, we have almost felt ourselves in the position of the sorcerer's apprentice. It is possible to store inconceivably large amounts of data about individuals and this data can be combined in a way that serves purposes that should in no circumstances be accommodated by this technological development. We welcome the fact that Mr Bayerl and the committee have included both manually operated and mechanically operated registers. We do not feel that there is a great difference apart from the speed at which data about the individual can be located and retrieved.

We have seen that there are member countries in the Community that have already introduced the necessary legislative safeguards. Our attempt to achieve harmonization that, both for the countries that are working on legislation and for those that have already adopted legislation, provides for coordination of the efforts directed towards protection of the rights of the individual comes therefore — and this was also stressed by the rapporteur — at the last minute. We feel it important that this Parliament should acquire a reputation with the electorate for wanting to do something that also concerns the individual. The harmonization of chair and tractor seats is perhaps important from the point of view of commercial contacts but the harmonization of legislation safeguarding the individual is something to which we attach the greatest importance in the Socialist Group. We are agreed on the need for a control body to keep abreast of developments and we support the idea that this body should be independent. However, it should be required to submit reports and should therefore also consist of Members of Parliament so that, on the basis of the report submitted to Parliament, we have an opportunity to express Parliament's views. We believe that the two legal models proposed make it possible for both parties to carry out harmonization. We well appreciate that where West Germany at present has legislative safeguards based on one legal model and, for example, France and Denmark have legislation based on a different model, harmonization may be difficult to achieve. I am entirely convinced, however, that there will be a great wish in the individual member countries to achieve this security.

Previously, large quantities of data about individuals could not be dispatched over national borders. This is possible today thanks to the advance of technology. It is therefore very important that we should establish control over who is permitted to send data over national borders and the kind of data that may be sent. In my country we have distinguished very clearly between what we call public and what we call private data registers. We are a little stricter with the private data registers than with the public registers because

we at all times have an opportunity to monitor the latter on the basis of specific knowledge of how these registers operate.

At the same time, we are empowered to lay down very clear limits specifying our wishes as regards possible link-ups between these registers.

I welcome the fact that this topic is being discussed at a time when the voters in the Community are called upon to elect this Parliament directly. This is something that the individual voter will feel is of importance to himself, but this also means that harmonization must not be proposed at a lower level of protection than already exists in the individual country. I am certain that the citizens of West Germany, France and Denmark would feel very upset about any harmonization at a lower level of protection than exists at present. For the Socialist Group the most important thing is that all the Member States will be included and we welcome the fact that there is a point of contact here with the Council of Europe which, with its 21 member countries, has shown great understanding of the principles underlying the demand for safeguards for the individual.

I will close by recommending that Parliament unanimously adopt this report so that people at large can feel that there is major backing for something other than commercial harmonization, for something that is more important and that may acquire much greater importance for our future cooperation, namely the protection of the rights of the individual in the face of technological developments in the field of data processing. With these words in mind I can announce that the Socialist Group will be voting for this report.

**President.**— I call Mr Luster to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Luster.**— (*D*) Mr President, in announcing my group's endorsement of this report I should like to convey our warmest thanks to Mr Bayerl. Theoretically the report was drawn up by the Legal Affairs Committee, but it was in fact produced by that committee's data protection sub-committee, on which, with the support of the highly capable secretariat and my friend Mr Alber as chairman, Mr Bayerl did an outstanding job of work. A member's first speech in Parliament is called his maiden speech; I do not know if there is an official term for a member's last speech in a parliament. But if I am not mistaken, we have just heard Mr Bayerl's swan song here, and I should like to express my regret, even though he belongs to a political group with which I do not always see eye to eye, that — as I have said in the past — he is not held in such high esteem by his friends as he is in this House, with the result that we may well not see him here again.

## Luster

Mr President, in considering the subject of this report we have learnt — and it should be a lesson to us all — that progress is not an end in itself. For what we are trying to do is to protect ourselves against progress; for our starting point was not data protection. It was the valuable possibility of storing almost unlimited data, to create a permanent and universal memory. This is a tremendous advance, a unique opportunity for science and research, a boon for medical diagnosis, for ensuring equal treatment under the law, for comparative scholarship, and a valuable aid for planning and policy making. But there is another side to every coin and, as Saint Augustine put it, everything can be loved well or badly. Freedom implies the freedom to abuse that freedom, and we must realize that there are snoopers and peeping-toms who would not hesitate to invade personal and political privacy. This is where the individual needs protection in his personal and economic circumstances. This is what the report rightly sets out to provide.

Facts are in themselves neutral, but it is true, as Mr Bayerl said, that computerized data banks could make of us men of glass. In certain circumstances we could be left without even a shirt to cover our modesty; we could be left without a stitch. That is why individual privacy must be protected as a basic right, why it must be protected against prying and snooping; but let us not become over-secretive instead. The best protection against the improper use of data should be the natural decency of a mature society, for the freedom we are talking about is the freedom for the individual to walk with his head held high, rather than the freedom to keep face covered.

Mr Bayerl says that we must restore the citizen's identity, and not allow him to become freely disposable. That is perfectly right. But the concept of identity also means that we cannot force people into oblivion. Identity also implies a history, an opportunity for others to build up a picture. Anonymity also involves the destruction of individuality, an enforced assimilation into the herd. We must not allow ourselves, in our desire to protect the individual, to destroy his will to be an individual. He must be prepared to stand up and be seen, warts and all. We have a saying: do right and fear no man. This idea is worth preserving, and the complexity of our society sometimes requires transparency in return. We should not take data protection too far, although it is important and my group does support this report. Research must still be possible. The fight against crime especially against its worst form, terrorism, must continue unimpeded.

The economy must not be hampered, and censorship must not be introduced on the pretext of data protection.

The resolution embodies no more than an administrative solution to technical problems, rather than a complete, humanitarian answer. It is a stopgap to protect us in an imperfect world against the abuse of a valuable new technology. This is a good report, but nothing is ever perfect. It goes well beyond the Data Protection Act in the Federal Republic, and we might perhaps raise a number of points in the course of the procedure for adopting the directive, for example the question of whether manual data banks can and should be regulated in the same way as computerized ones; and the question of which, as the person concerned may withhold authorization for especially sensitive data, perhaps calls for rather more sophisticated arrangements. The restrictions on cross-border data transmission as mentioned in points 13 and 14 of the recommendations to the Commission and the Council could also be reviewed.

But all in all we have here a most painstaking piece of work by Mr Bayerl, Mr Alber and their colleagues. We also have the copious documentation of the hearing. I should therefore like to repeat on behalf of the Christian-Democratic Group, our thanks for, and endorsement of, this report as a whole.

## IN THE CHAIR: MR MEINTZ

*Vice-President*

**President.** — I call Mr Fletcher-Cooke to speak on behalf of the European Conservative Group.

**Mr Fletcher-Cooke.** — Mr President, like all the speakers so far, we in the European Conservative Group very much welcome this report and congratulate Herr Bayerl for the excellence and comprehensiveness that it displays.

When I first took an interest in this matter, I was rather concerned that the European Economic Community was, as it were, seizing the field from the Council of Europe. On all libertarian matters, matters connected with the freedom of the citizen — although of course the EEC has a great concern for these matters — the Council of Europe which has its own court on human rights and its own convention and its own commission and indeed covers a far wider area of Europe geographically, would seem to be the natural parent. However, in this case I am persuaded that you cannot separate the economic and the libertarian aspects, and furthermore, in addition to that argument, there is the overwhelming need for speed, and it is upon that need that I base my agreement with the Bayerl report. The Council of Europe simply cannot operate quickly enough, nor can it enforce its conclusions strongly enough.

## Fletcher-Cooke

Here we have a situation in which already, even since this matter was mooted to the Legal Affairs Committee by my former colleague, Lord Mansfield, in 1974, in which the *tabula rasa* which was then more or less present is now being filled up bit by bit by a patchwork of national legislation, much of it already conflicting at least in the principles upon which it operates. It is, therefore, essential that we should have a European directive quickly and comprehensively on this subject.

The rapporteur mentioned such developments as data havens, and I agree with him. I think that from the economic point of view, for the strong computer European industry which he wants, it is essential that we have speed. I believe that from that point of view it is essential that we lay down standards. The standards in the computer industry are very diverse at the moment and work much to the advantage of the American industry, in particular IBM. And it is essential that European firms, ICL, Siemens etc, get together to work out compulsory and universal European standards, if our computer industry is to flourish and if we are not to be swamped by the Americans. Those standards, IBM, as well as our own domestic industry, would then have to comply with. I think there is a good deal of resistance even in the European industry to the acceptance of common standards, but it is essential that it should be done if the purpose of this excellent report is to be achieved in the economic field.

As Mr Luster has pointed out, there are two apparently conflicting ideals of transparency and secrecy where the freedom of the citizen is concerned. It is right that the citizen should know what is recorded against him and should be able to check and correct it, but it is also right that he should have the power to stop that information getting into the wrong hands. This can only be done, without the data haven situation arising, by a directive that is comprehensive and obligatory and which may, therefore, cut across national legislation as it already stands. That is something I do not like and I think a great many of my colleagues know that I do not like it, but I think in the case of this new dimension in this new industry it is something we must have.

My only criticism of the report is that it does not deal — and this is perhaps asking too much because it deals with most things — with two aspects of the effect of computers upon society, namely it does not deal with the facility for computer crime. The activities, and particularly the international activities, of computer swindlers is growing every day and is almost impossible to stop on a national basis. That is another reason why this fight has to be internationalized. And the second aspect which I would have liked to have seen dealt with — although it is touched upon — is the effect of industrial disputes upon the subject when

those disputes are by those working computers. At the moment in the United Kingdom, hundreds and thousands of citizens are unable to withdraw their savings from the Post Office and the Savings Bank. Farmers cannot get the payments they are entitled to under the common agricultural policy etc. because we are the slaves of the public computer, and once the public computer stops there is no alternative method by which people can get what they have a legal right to. Now this has not gone very far, but it may get very much worse in the future, and I would liked to have seen at least the dangers of this recognized, even if it would be too much to expect the rapporteur to produce a solution.

By and large, therefore, I think this is an historic document. I congratulate its author. I apologize as a member of his sub-committee for my poor attendance, but I am delighted that in the long run something very worthwhile has come out of all these deliberations.

**President.** — I call Mr Davignon.

**Mr Davignon, Member of the Commission.** — (F) Mr President, firstly I should like to thank Mr Bayerl most sincerely for the work he has done on our behalf and to assure him that, although he will no longer be with us when we discuss this matter again, everything connected with data processing will remind me of the Bayerl report. This document contains a detailed examination of the problem in all its complexity and I should like to express the Commission's gratitude to Mr Bayerl.

The motion for a resolution makes the vital point that it is better to deal with problems before disputes and conflicts arise rather than afterwards, as so often happens. We are then obliged to reconcile a whole series of sometimes contradictory elements and this can be extremely difficult: it would be better to prevent such a situation arising.

Everything connected with the wielding of influence over our society and with this industrial and electronic revolution we are now witnessing will be the subject of major discussions in the next five years. To avoid the kind of negative response by public opinion to these changes which has occurred in the nuclear energy sector, we must make an effort to explain what is going on — and in this connection there is no difference whatsoever between the economic consequences and the effects on the rights and freedoms of our citizens. That is one of our major tasks and one in which Parliament will be involved, since this is a sector which directly concerns each of our citizens.

My next point is one about which I wrote on the Commission's behalf to the President of Parliament and which concerns the special committee we have set up to consider these matters in conjunction with

**Davignon**

experts from the Member States. We have commissioned a number of special studies to complement and provide a comparison with the technical work which has already been prepared and which will continue in conjunction with Parliament. As requested in the resolution we will be in a position in the autumn — no doubt firstly in committee and then in plenary session — to explain how the theory is to be put into practice. We felt it important to find out what progress had been made at the Council of Europe, not necessarily because we have no intention of doing anything further ourselves, but because their work provides a practical basis and because we needed to know the contents of the international convention which the Ministers of the Council of Europe had instructed their officials to prepare. We will have this information during May or June at the latest, which means that we will be able to work on this matter in June and July and then begin an initial consideration with the responsible committee of Parliament, of the implementation not only of the resolution but also of the documents annexed to it. This will be aimed at establishing how — and personally I do not think there will be any difficulty in this connection — we can introduce a number of binding provisions based on Article 100 and in accordance with simpler procedures than the approval of international conventions. We shall then have to consider the various types of problem so clearly explained in the resolution now before us.

In conclusion I would express my gratitude to Mr Bayerl, to his subcommittee and to the committee responsible for having helped us in our preparatory work, by assuring Parliament that when it reopens in autumn we shall hold a debate which will no longer be concerned with principles but with their implementation. We will consider how to draft formal proposals which are effective and acceptable and which take account of the various aspects mentioned in the resolution and the annex to it.

*(Applause)*

**President.** — I note that there are no more requests to speak.

The motion for a resolution will be put to the vote — with the amendment which has been tabled to it — this afternoon at voting time.

The debate is closed.

### 9. Community supplies of raw materials

**President.** — The next item is the oral question with debate (Doc. 112/79/rev.) tabled by the Committee on Economic and Monetary Affairs to the Commission on

Subject: The Community's raw material supplies

The Community largely dependent on imports for its raw material supplies; this dependence has direct effects on prices, trade balances and, in general, economic growth.

Having regard to the natural resources of the various Member States, what overall strategy does the Commission intend to pursue in order to make the best possible use of the Community's natural resources?

I call Mr Pisani.

**Mr Pisani, chairman of the Committee on Economic and Monetary Affairs.** — (F) On behalf of the Committee on Economic and Monetary Affairs, I must emphasize the importance of this debate. It concerns the policy which the Community as such, and the individual Member States should adopt with regard to supplies of essential raw materials. I have no intention of calling for complete self-sufficiency, but, given the present international situation, it is important to investigate ways in which the Community could increase its supplies.

I should first like to point out that this matter has already been brought before Parliament, in two documents in particular. The first was a report of 7 March 1977 drawn up by Mr Herman Schwörer on behalf of the Committee on Economic and Monetary Affairs. It stated in particular that the European Parliament expected practical proposals from the Commission in order to promote at European level:

- (a) basic and technological research into the recycling of by-products
- (b) the improvement of possibilities of substitution
- (c) savings in consumption
- (d) longer life of products
- (e) the exploration for and rational exploitation of the limited resources available to the Community and also seabed resources
- (f) the creation of emergency stocks.

More recently, Mr Ansart and Mr Porcu raised the same question with regard to the smaller-scale but more urgent problem of the Community's supplies of iron ore and the way in which the Community's iron resources are managed. In an extremely detailed report, backed up by statistics, they stated that the management of the iron resources in Lorraine and in the Community as a whole was perhaps adequate in the short-term but that it in no way reflected the Community's fundamental and long-term interests. In particular they stated that some pits were so neglected that they could not be kept in reserve and subsequent exploitation was impossible.

The Committee on Economic and Monetary Affairs considered this matter on the basis of these two documents and instructed me to put the following oral question to the Commission.

The Community is largely dependent on imports for its raw material supplies; this dependence has direct effects on prices, trade balances and, in general, economic growth.

Pisani

Having regard to the natural resources of the various Member States, what overall strategy does the Commission intend to pursue in order to make the best possible use of the Community's natural resources?

I should like to emphasize the expression 'overall strategy'. Strategy is the subtle art of economizing something which is rare so as to be able to use it when necessary. By taking account only of the market situation, the EEC has been obliged to give special treatment to areas with the richest natural resources and to rely on imports for a large proportion of its supplies or at least, it has run the risk of doing this. However, for some years now not only have prices been rising, which is in itself alarming, but they are doing so because of the undoubted or suspected scarcity of the basic materials which everyone needs.

Why are raw materials growing scarce? One reason is undoubtedly the fact that by constantly drawing on natural resources, we finally exhaust them. A further similar reason is that as the under-developed countries become industrialized, they acquire a consumer system which requires more and more materials and energy. Just imagine the world catastrophe which would result if every country adopted the American approach to energy; world energy resources would only last a few years.

Our answer to this situation was improvisation: each of the Member States adopted its own position which took account of its balance of payments, its natural resources and its political options. Now, however, it would seem to be essential to adopt a global approach in two senses. Firstly, we need a Community approach to the whole problem and secondly we need to adopt an approach which takes account of all the variables, not only those affecting the short-term. In the analysis of the situation in the French iron and steel industry and the European iron and steel industry, was account really taken, not only of the objective reconversion costs and the cost of the procedure we used in the Community compared with the cost of foreign supplies, but of all the parameters — non-productive expenditure to compensate losses, redundancies, closure of pits and factories? Was account taken of the chaos in certain regions, which will one day — and the sooner the better — have to be tackled? Was account taken of the calculations which can be made of the likely trend in raw material prices on world markets, and won't we regret one day having closed mines irreversibly which, although not viable today, may well have been so to tomorrow?

These were the aspects taken into account by your committee which, following the two documents I referred to just now, felt that the matter should be debated. In particular, it wished to give the Commission an opportunity to explain its strategy in this sector. Commissioner, we have got to know one

another from our meetings here and in the committee of which I am chairman, and I must say that much of what you say has convinced us. We sometimes feel that the extremely sectoral and *ad hoc* approach adopted by the Commission, and indeed by the Community, does not always correspond to the approach which you yourself would have wished. We are therefore not here to criticize your attitude but to see whether, given our problems and the threats to the European economy, we can find a new approach to these problems and whether the time has come to devise a strategy for raw materials as a whole.

I should like briefly to take an example which is extremely interesting. The price of oil has increased and there is every likelihood that it will increase still further. The reasons for this are two-fold. On the one hand, world demand is increasing because of the requirements of the under-developed countries and on the other hand, the latest information we have received shows that it costs ten times more to produce a barrel of petrol now than it did ten or fifteen years ago. Increased demand and greater extraction and exploitation problems lead to higher oil prices.

As far as our current investigations of substitute products are concerned, we are still making economic calculations based on the era when petrol was cheap. At that time, given the cost involved and the stage of technological progress we had reached, we saw no possibility of using alcohol made from sugar beet, for example, or biological energy sources or plant resources for combustion or fermentation. Should our strategy continue to be based on short-term instant calculations of costs and prices? Shouldn't we anticipate technological process and trends in world prices by devising a strategy to replace our existing policy which, while perhaps relevant few years ago, is now totally unsuitable. Apart from this question of global as opposed to *ad hoc* economic calculations, there is a further aspect: independence.

I am not saying that we should become self-sufficient: it would be madness to do so, and would involve an intolerable risk which none of us is prepared to take. However, it is true to say that there are situations in the history of mankind where every country survives only by its own resources. We affirm that priority must be given in our overall strategy to releasing us as far as possible from dependence on foreign supplies of raw materials and energy and hence to developing a policy which, in addition, would create jobs and have a positive influence on our balance of payments. A healthy balance of payments, increased employment and the independence of our countries are all at stake.

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

**Mr Porcu.** — (*F*) It will come as no surprise to my colleagues to hear that, unlike Mr Pisani, I intend to be extremely critical. During my speech in Strasbourg on 14 November 1978 I produced irrefutable proof of the competitiveness of iron ore from Lorraine. I showed that, used within a radius of 100 kilometres from its place of extraction, the cost price of this ore is between 25 and 30 % lower than that of its competitors imported from Sweden, Africa or Latin America. In a reply which suggested some embarrassment, Commissioner Davignon was unable to contradict my statement, since he merely promised to check the facts.

The document I have here, which was given to me in Brussels at a meeting of the Committee on Economic and Monetary Affairs and which was annotated by your secretary, Mr Davignon, in no way disproves my point. On the contrary, it confirms overwhelmingly that ore from Lorraine is extremely competitive. The only reservation which you expressed concerned the higher cost price of treating the iron ore. I would point out to you, Commissioner, that my statement also took this aspect into account.

In fact you can produce no economic argument to justify the policy pursued by the iron and steel companies in the various countries, by the ECSC, by the Community bodies and by the governments concerned. The reason for the neglect of the Lorraine iron-producing regions lies in the strategy devised by the multinationals and aimed at redevelopment and a new international division of labour: you, Mr Davignon, on behalf of the Commission and with the unconditional support of the majority of this Parliament, are the most active architect of this strategy.

Your plan to dismantle whole sections of the iron and steel industry, principally in France, cannot be separated from your policy on raw material supplies of which I would like to quote a few instances. The German-Belgian-Luxembourg company ARBED, well known to some of the Members here, has recently published the report of its board of directors. The report states that in 1978 the company's factories consumed 1 307 000 tonnes of imported ore, representing 26.4 % of its iron consumption. In 1976 ARBED used 74 000 tonnes of imported ore, and in 1977, 469 000 tonnes. During the same period, consumption of ore from French mines decreased. ARBED has also made a massive 20 % reduction in staff. While the new links between Germany and Luxembourg naturally produce bigger profits for the companies concerned, they are forged at the expense of French miners and iron and steel workers. The factory at Rehon, which belongs to the Belgian company Cockerill, should also be mentioned. This company owns mining concessions in Lorraine and could therefore obtain its supplies on-the-spot on

favourable terms; instead it is increasingly using Swedish ore, which accounts for approximately 45 % of its iron consumption.

You will no doubt object that Swedish ore is currently cheap, but, Commissioner, you who are so quick to criticize the trading practices of certain countries which infringe the so-called rules of competition, why do you sit back and say nothing about the large-scale dumping organized by the Swedish Government in order to get rid of its vast stocks of ore? In 1974 a tonne of pure iron cost 31.5 dollars; in 1977 it fell to 21 dollars on the French market, a fall of 32 %. This huge dumping operation does not even help the Swedish miners, since 3 000 have been made redundant on the pretext that Swedish ore is not economically viable. Why then does the Commission turn a blind eye — with the agreement of all the governments, including the French Government, which currently occupies the presidency of the Council — to these practices which run counter to the spirit and the letter of the Community Treaties and regulations?

What was the other side of this transaction? Was it to promote exports of capital goods from the Federal Republic of Germany to Sweden or the resumption by West German iron and steel companies of their plan to set up a large foundry at Lulea in Sweden? Of course, Commissioner, you will say to me that if Lorraine ore really is competitive, why on earth don't the iron and steel companies use it? You know why. It is the pursuit of the maximum profit in the shortest possible time which determines the activities of the multinationals, and the sole purpose of the European Economic Community in its present form is to help such companies.

We are familiar with the disastrous effects of your plan on the level of employment and on production capacity, particularly in the French iron and steel industry. For apparently technical reasons you are able to justify the closure of numerous factories, steelworks and blast furnaces with the wholesale redundancies this involves. The present strategy of the Community iron and steel companies, which used to use Lorraine ore, is to substitute imported ore for local iron ore, particularly from Lorraine, over a period of between five and ten years. The Röchling-Burbach group, now fully integrated into the ARBED group, which is a perfect model of the type of multinational companies so favoured by the Commission, is now developing its industrial policy on the basis of supplies obtained from outside the Community. It is proposing to construct a foundry at Dilling, which will no doubt supply the steelworks in the Sacilor-Sollac group in France with far more than the 350 000 tonnes of liquid iron which it currently purchases every year. This explains in particular the closure of the sintering and coking plants at Homécourt and

**Porcu**

Hagondange and the 6 800 redundancies planned by the Sacilor company.

It is no doubt with a view to transporting imported ore as cheaply as possible from the port of arrival to the German-Luxembourg factories, that Mr Davignon is preparing a plan for the railways, which attacks in particular the French railway company.

This policy is full of implications for the economic future of my country and for the whole of the Community. By placing French economic policy in the context of supranational integration, the French Government is developing a strategy which could be entitled the decline of France. Coal has already been sacrificed to oil which the capitalist countries used to obtain at a low price. Things have changed since then. By sacrificing the Community's raw material resources — of which French iron ore constitutes an important part — your policy will make the Community iron and steel industry dependent on third countries for its supplies of raw materials. This is a short-sighted policy which sacrifices the future to the present and the real needs of people and nations to the achievement of maximum profits for a few monopolies.

The opening up of new profit sources has a detrimental effect on workers in the Community and on the workers and the whole population of the developing countries, which, instead of receiving the aid vitally needed for genuine economic development, are reduced to the role of raw material suppliers. So, after having pillaged the Lorraine iron deposits, and particularly the richest deposits, the French, Belgian and German-Luxembourg iron and steel companies are now prepared to write off the French mines and to go and pillage the rich mining resources in Africa and Latin America. That is what you socialists and social-democrats, liberals and conservatives have made of Europe during the last twenty years. A Europe which is dominated by multinational capital interests exploiting vast areas to achieve the maximum profit, a Europe of unemployment and the wholesale destruction of production apparatus, a Europe based on domination and wielded like a collective instrument of neocolonialist policy aimed at maintaining countries which have freed themselves from the political yoke of imperialism in a position of economic dependence. It is against this Malthusian policy that the French iron miners and iron and steel workers are campaigning. The French Communist Party firmly supports them by denouncing and combating the causes and defects of your policy.

As communists we are campaigning for a different Europe, a Europe of full employment, of economic and social progress and of cooperation which is to the mutual advantage of every country. In effect, we are campaigning against a capitalist Europe and for the construction of a Europe of workers based on respect for the independence and sovereignty of each of the

member nations. That is what is at stake in the June elections. It is to achieve these general objectives that the communists are taking part in the electoral campaign.

Mr President, may I conclude by expressing my regret at being obliged to make this speech on 8 May. Thirty four years ago the people of Europe, including the German people, were freed from the bloody rule of Nazism as a result of the Allies' decisive victory over Hitler's army. Although the French Government still refuses to make 8 May a holiday, demonstrations take place in front of all the monuments to the dead to commemorate the sacrifice of millions of soldiers to liberation and national independence. Last year, in a moving speech my comrade Marcel Lemoine expressed the wish that in future 8 May should be set aside in all the countries of Europe to commemorate the great victory of freedom. I regret that he was not heeded and I in my turn fervently hope that the new Parliament which will result from the vote on 10 June, will respect this great day, which remains and will remain a decisive date in the history of the people of Europe.

**President.** — I call Mr Davignon.

**Mr Davignon, Member of the Commission.** — (F) Mr President, I shall first answer the question, which will enable me both to deal with a real problem and to regain sufficient calm to answer Mr Porcu. I was pleased to note that his speech dealt with questions and answers at the same time and I am also grateful to him for the gripping information that I am preparing a plan — secret, of course, and hence Machiavellian — for the French railways. I was unaware of this, no doubt because of my well-known absent-mindedness.

To be serious. The fundamental question is whether, given the current situation in Europe, we can make do with an *ad hoc* approach to raw materials supplies or whether the time has come to consider in depth the powers of influence we possess and the way they could be used to help the Community and its citizens. There is clearly total agreement on this point between the statement made by Mr Pisani on behalf of the Committee on Economic and Monetary Affairs and by the Commission, which I represent.

We must then decide how we are going to proceed, since it is true that neither the Member States nor the Community has all the necessary know-how to cope with the situation. I would propose that the Commission and Parliament should jointly draw up an inventory of the information at our disposal and the information we need to obtain. I do not think there is any point in the Commission carrying out one study, Parliament another and perhaps the Council a third. We should try and act together as quickly as possible. The Commission has already implemented three research programmes on raw materials, the treatment of ore

### Davignon

and technology. Of course, failure to take into account changes in technology leads to a too narrow analysis of the possibilities with regard to raw materials.

We should also assess whether, and how, the energy crisis — exacerbated by the current situation — affects these problems.

We should also assess in more concrete and rational terms the possible outcome of research into 'substitute' raw materials. This involves the question of recycling, waste products, which must clearly be included in this issue.

I would therefore support Mr Pisani's proposal: we must adopt a rapid and practical method of assessment in order to draw our conclusions as soon as possible.

My second point concerns raw materials, but not those in the Community, since unfortunately our resources are not sufficient to make us totally independent and self-sufficient. In any that was not what Mr Pisani proposed. However, we must make the maximum use of our resources. Beyond that there is the question of our relations with other countries. This is being discussed by Mr Cheysson in the Council of Ministers on the basis of a proposal submitted by the Commission, whose aim is not, as suggested in a traditional caricature, for the industrialized countries to pillage the developing countries. Anyone in this Assembly who dares to suggest that the Convention of Lomé does not indicate a change in relations between industrialized and developing countries is going much further than the developing countries themselves, but then that is his privilege! We have to assess how, within the Convention, to explore and develop the raw material resources in these countries, so that the latter can have access to, and can trade in additional resources. This raises the question of investment guarantees, particularly in the mining sector, which accords totally with the strategy we referred to and which serves the legitimate, equal and sovereign rights of the parties to the Lomé Convention.

I cannot tell Parliament today what stage we have reached, since Mr Cheysson is not here. We will have more information at the end of May, at the conclusion of the negotiations with the ACP States on the new Convention.

We will also know what steps we have made towards creating additional instruments for this strategy.

However, Mr Pisani knows as well as I do that instruments do not make a policy. Although we may have partial access to this instrument and we may have persuaded the Member States that it is better to act at Community and international level than exclusively at national level, we must still decide how to use this instrument. I think I have clearly answered the committee's question and I would point out that I

fully share its concern to get to the bottom of this problem.

With regard to your comments, Mr Porcu, I would first point out something which you seem to have forgotten.

I am sure it is forgetfulness on your part and not lack of information. This afternoon in Brussels there is a meeting between my staff and the five trade unions representing the Lorraine miners to analyse and criticize a document which is more detailed than the one you mentioned and which assesses the competitiveness of Lorraine iron ore as compared with other iron ores. We must first analyse the facts and then make use of them in order to assess the role which iron ore from Lorraine could play in the general context of the supply policy to which Mr Pisani referred. It is strange, Mr Porcu, that you did not mention this dialogue, which we are beginning in an attempt to implement a policy which is in everyone's interest and is accepted by the workers who are involved in the discussions. Secondly, Mr Porcu, why do you address to me comments which concern the policy pursued by ARBED? What have I to do with ARBED's or Sacilor's policy? What is the point of the systematic allusions which one also hears in other meetings? I should like a clear explanation, and if it is to be given anywhere it should be here, face to face in the presence of the various speakers.

My third comment concerns the basic situation. Why have we not got a more consistent European policy on supplies? The reason is that we have been unable to reach agreement at European level on the implementation of this policy. I therefore find it extraordinary that, after accusing Europe of committing every sin and every mistake, you find it scandalous that the same Europe dares to buy ore in Sweden and does not pursue a policy enabling us to use our own raw materials first.

Who is to take such a decision, if there is no European authority? On the one hand you complain about what we do and on the other about what we don't do, claiming that any transfer of activity to European level is in itself contrary to the interests of French workers. You cannot claim that a policy we are trying to implement has been dictated by the multinationals whose aim is to defend capital interests and disregard workers' interests, and at the same time forget the consultations in the advisory committee and the positions adopted on these programmes by trade unionists from countries other than your own.

Are they less representative of workers than the others?

To return to practical matters, discussions are being held today with a view to assessing the actual competitiveness of Lorraine iron ore. Once this is established, the Commission will then seek to determine — though you will not believe it because it does not suit



**Davignon**

you — how to increase our supplies within the context of the policy referred to just now and, given the present new circumstances, how to make greater use of our own raw materials for economic, social and regional reasons and with Europe's independence in mind. Finally, Mr Procu, you tell me that the Commission always intervenes rapidly to sanction the policy of a country which does not observe the rules but that, in Sweden's case, it does nothing. You should know the answer but you have no doubt forgotten it: in order to unleash anti-dumping measures against a country, a complaint must be made and the Member States are unwilling to give the Commission the power to table complaints on its own authority against a third country. We can only act if an industrialist or a Member State submits evidence to us on dumping. This illustrates a further contradiction: you complain about our failure to act while refusing us the powers to do so. So, please let us stop indulging in caricatures and, I beg you, let us not mix up questions of liberty or the events of 8 May in this matter! That is quite a different matter and is too serious to be used in polemics over a particular problem.

Let me state the situation clearly. Firstly, a detailed study of the various types of ore has been carried out for each region. Secondly, the aim is to make more use of Lorraine ore as part of a more consistent iron and steel policy and supply policy within the limits of the Community's existing powers. We can therefore not be accused of behaving irresponsibly and of failing to pursue a policy when we are not given the means to do so. Thirdly, please stop painting this picture which presents the objective of the iron and steel programme as being to lose jobs, whereas it is in fact to remove the uncertainty in this sector. The job creation programme decided by the Commission last week is sufficient proof that we genuinely wish to resolve the problems and not simply talk about them. Finally, it is untrue that a large proportion of the people concerned reject this programme. It is also untrue that the policy has been defined in an arbitrary unilateral manner by the multinationals; each aspect of it was in fact defined in the first place by the advisory committee, which includes, on an equal basis, workers' representatives, who approved the proposals almost unanimously. Caricature has no place in serious discussions!

*(Applause)*

**President.** — I call Mr Pisani.

**Mr Pisani, chairman of the Committee on Economic and Monetary Affairs.** — *(F)* Commissioner, since you alone are certain of still being in office in a few

weeks time, whereas we are subject to the whims of the electorate, I should like to make a request to you on behalf of our successors. Could you submit to the directly elected Parliament a document which provides an accurate description of the situation facing the Community and of the policy it intends to pursue, setting out both its strengths and its weaknesses? One of the tasks of the elected Parliament is precisely to debate objectives and policies in public. I would therefore ask you to consult the future Assembly on the various aspects of the overall strategy which I outlined just now on behalf of our committee.

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

**Mr Ansquer.** — *(F)* Firstly, I would ask you to excuse me for not having taken part in this debate. The French railways are to blame: I was stuck for more than two hours in Metz. I am grateful to Mr Pisani for having introduced the oral question and for having done so, I have just been told, with his customary brilliance.

Mr President, I note Mr Davignon's statements, which echo the concern we all expressed in the Committee on Economic and Monetary Affairs. To close this debate I should simply like to express the wish that the Assembly should adopt the motion for a resolution tabled by the Group of European Progressive Democrats. Taking Lorraine as a basis, we should first like to see the implementation of an overall strategy to carry out an inventory of resources, and I would join Mr Pisani in requesting that a document should be submitted as a basis for the future work of the European Assembly in this sector. We should then explore all the methods and encourage the technological advances which might enable better use to be made of the Community's natural resources.

That is why, Mr President, ladies and gentlemen, I would urge the Assembly to adopt our motion for a resolution.

**President.** — The motion for a resolution which has just been mentioned is accompanied by a request for a vote without referral to committee. This has been printed and distributed under the number 162/79. The vote on the acceptance of the request for a vote without regard to committee for this motion for a resolution will take place tomorrow at the beginning of this sitting.

The debate is closed.

This sitting will now be suspended and will resume at 3.00 p. m.

This sitting is suspended.

*(The sitting was suspended at 1.20 p. m. and resumed 3.05 p. m.)*

## IN THE CHAIR : MR COLOMBO

*President*

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

I call Lord Bethell to speak on a point of order.

**Lord Bethell.** — I am sorry to interrupt the proceedings, Mr President, but I wonder whether you have noticed that there are only some 28 Members of the Assembly here present and the reason for this is that several of them are still queuing for their lunch. It has not been possible in the last two hours to obtain lunch anywhere on the premises because the entire Tower Building restaurant was booked for a group by the Liberal Group and in other restaurants Members have had to queue for half an hour to three-quarters of an hour, in order to obtain refreshment. My question to you is this, Mr President, will you consider extending the lunch period so that we can queue for our lunch for perhaps three-quarters of an hour and then have it and come back here at 3.30 p.m.? Or will the Parliamentary authorities make provision to enable Members of Parliament to obtain refreshment during the lunch break because the present situation is really intolerable?

*(Laughter)*

**President.** — I regret this 'invasion' by the Liberal Group and I can assure you that we shall see to it that problems of this kind are not repeated in the course of the present part-session.

*(Laughter)*

I call Mr Spicer.

**Mr Spicer.** — Mr President, could I say very briefly that of course we accept that under the current rules the Liberal Group has a perfect right to book the whole of the Tower Building restaurant for lunch. But it does seem to me that prior consideration should be given to people who serve this Parliament. By all means let us make two or three tables reservable, but for the whole of the restaurant to be booked out is quite intolerable. I think this point does deserve serious consideration.

**President.** — Obviously I intended to make a joke. I was attempting to make a light-hearted remark which would take into account the humorous side of the situation, without in any way wishing to depreciate what had been said by Lord Bethell, which is worthy of our most profound consideration.

10. *Transfer of appropriations*

**President.** — The Committee on Budgets has informed me that at its meeting of 29 March it gave a favourable opinion on the following transfers of appropriations for the 1979 financial year :

- 260 000 EUA for the plutonium recycling in light water reactors (Doc. 579/78);
- 2 212 000 EUA in commitment appropriations and 1 292 000 EUA in payment appropriations for the physical protection of the JRC establishments (Doc. 676/78).

Note is taken of this communication.

11. *Question Time*

**President.** — The next item is *Question Time* (Doc. 142/79). We begin with questions to the Commission.

Question No 1, by Mr Fitch :

What is the present level of coal stocks in the Community?

**Mr Burke, Member of the Commission.** — Producers' stocks of coal and coke in the European Community totalled approximately 57 million tonnes at the end of 1978 : that was 5 million tonnes less than at the end of 1977. Subsequently there was a slight improvement in the sales position of the coal-mining industry. We have no complete information about consumers' coal stocks ; figures are available only for power-station operators and coking-plants. At the end of 1978, the stocks held by power-stations totalled some 38 million tonnes and those held by coking-plants approximately 4 million tonnes. Total coal stocks in the Community at the end of 1978 were therefore some 100 million tonnes.

**Mr Fitch.** — Has the Commissioner any plans for reducing this very high level of coal stocks? Would he, for example, consider putting an import quota on cheap coal coming into the Community from South Africa and Poland?

**Mr Burke.** — In regard to the latter part of the supplementary question, the Commission has no plans for the imposition of such obstacles.

In regard to the first part of the supplementary, I would agree that the quantities of coal stocks held by producers give cause for concern. I would point out to the House that the Commission put a proposal to the Council in March 1977 to the effect that the Community should help to relieve some of the financial burden on undertakings resulting from the high cost of pithead stocks by granting aid. The measures were supported by the European Parliament in September 1977 but have not so far been taken up by the Council. This has, however, had the effect of obliging national governments to increase their subsidies to the coal industry, and consequently the undertakings did not have to resort to unplanned pit closures in 1977 and 1978.

I agree with the honourable Member that something must be done to get rid of some of these very high stocks. I would point out to the House that the cost of keeping these, forms a burden of about 8 to 9 EUA

**Burke**

per tonne per annum for the 57.4 million tonnes of stocks held, which works out at about 500 million units of account, so I agree that it is a very important problem; but we in the Commission have made proposals and it is now for the Council and the national governments to act.

**Mr Hamilton.** — Does the Commission not feel that when the Community has such large stocks of coal it is a scandal that we should continue to increase our coal imports from South Africa and that, given the enormous investments made over the years by the Community and paid for by the taxpayer for the purpose of modernizing our coal mines, it is disgraceful that those investments should be undercut by cheap South African coal produced by what amounts to black slave labour?

**Mr Burke.** — As I have already explained in reply to the previous question, this is an area in which, not having responsibility personally for the dossier, I would rather hesitate to commit the Commission.

**Mr Spénale.** — (*F*) To what extent will the new provisions proposed by the Commission for coking coal apply in the mines of the Aquitaine basin which are a very long way from the large centres of coal consumption, these being mainly in Germany, and are there any projects for new research in the field of coking coal?

**Mr Burke.** — In preparation for this question I armed myself with a number of statistics about the amounts in question. I am afraid I do not have the particular details which Mr Spénale has asked for, but I shall ask my colleagues to have them forwarded to him at the earliest possible opportunity.

**Mr Brown.** — If I may just press the Commissioner a little more, his answers are not very satisfactory, if I may say so. He is being asked whether, in view of the vast amount of coal stocks that we have, it is reasonable to continue to bring in foreign coal, particularly from South Africa. Now do I understand that the Commission has no views on spending vast sums on the subsidization of huge stocks of coal and at the same time encouraging the importation of cheap coal in from outside? Surely that is nonsense. The Commissioner cannot just sit there and keep repeating that he has no responsibility; somebody has responsibility, and if the Commissioner has not then why is not the man who has responsibility here to assume that responsibility?

(*Hear, hear!*)

**Mr Burke.** — That is an interesting contribution by the honourable Member, but he would agree with me, I suggest, that this must be taken up in the overall context of our trade relationships. I would draw the honourable Member's attention and that of the House

to an analogous position in the cheese sector, where, for example, we bring in cheese imports from New Zealand and we continue to do so though certain Member States of our Community feel that this is not the right thing to do. I think myself that these are complex questions which are better approached from the overall trade position.

**Mr van Aerssen.** — (*D*) Do you share the view that we can only establish regular trade relations, for instance with Australia, an important country from which we have to import certain raw materials — ores, uranium etc. — if we permit modest import quotas and open up our market to the Australians to a small extent?

**Mr Burke.** — I think I have answered the honourable Member's question implicitly in my reply to the previous questioner: these are complex trade matters and we cannot simply solve one without having regard to the total picture.

**President.** — Question No 2, by Sir Geoffrey de Freitas:

In view of India's strong democratic institutions, its geographical position, its high population and the widespread use in India of one of our official languages, what plans has the Commission for establishing an office in New Dehli even if it necessitates the closure of its office in Bangkok?

**Mr Vredeling, Vice-President of the Commission.** — (*NL*) The Commission is grateful to Parliament for the great interest shown in the establishment of a Commission delegation in New Dehli.

In response to your question I can only repeat what the Commission has already said frequently — in this Parliament and elsewhere — in answer to similar questions and here I must refer to the replies given to the questions put by Mr Mitchell on 12 September 1978, by Mr Patijn on 14 November 1978, by Sir Geoffrey de Freitas himself on 14 November 1978 and again on 14 March 1979.

This question has therefore appeared on the agenda several times and I can only repeat what the Commission has always said: the fact of the matter is that in order to intensify relations between the Community and the ASEAN countries the Commission continues to support the retention of a delegation in Bangkok.

As far as the opening of a delegation in New Dehli is concerned, the Commission sees this as a medium-term priority. The Commission is grateful to Parliament for supporting its project and particularly welcomes support in the budget debates. In brief, the Commission welcomes Parliament's endeavours to extend the network of delegations.

**Mr Brown.** — But would the Commissioner not agree that there is a slight difference now from the

**Brown**

situation obtaining under his previous replies, which he has just in fact reiterated? Given that the Commission has already announced in the negotiating mandate which it has recently sent to the Council that the existing EEC-India Commercial Cooperation Agreement should be strengthened by bringing in such things as science and technology, economic cooperation and the like, does he not agree that the Commission therefore feels that it will be necessary to have an office in New Dehli in order to carry out the recommendations they are making in that mandate? If not, how can we speak with a forked tongue? On the one hand we are asking to increase the presence of the Commission in New Dehli, and at the same time we are anxious to have nobody there to deal with it.

**Mr Vredeling.** — (NL) I can answer these questions in the affirmative, at least in the medium term.

**President.** — Question No 3, by Mrs Dahlerup :

Following the reply to Written Question No 750/78<sup>1</sup>, it appears that of the 167 political posts (Directors and Director-Generals, A-1 and A-2) within the European Commission, two were held by women. It further transpired that for the 'A' grade as a whole, within the European Commission, women held considerably less than 10 % of total posts.

What positive steps is the Commission taking to rectify this gross imbalance, which distorts the representativeness of European institutions and hinders their effectiveness?

**Mr Vredeling, Vice-President of the Commission.** — (NL) The answer to the written question to which the honourable Member refers is based on the considerable progress recorded since 1972 in the Commission especially at the level of A 7 and A 6 officials and also for LA 8, LA 7 and LA 6 officials.

The Commission believes that the small number of women representatives in its senior appointments is not a result of discrimination but of other causes. It does however consider that an increase in the number of female employees should be encouraged.

**Mrs Dahlerup.** — (DK) In connection with a written reply addressed to me on 25 January I must point out to the Commission that it was stated in this reply that the Commission was trying to satisfy the special requirements of female employees by various measures including part-time work and leave on personal grounds to look after small children. Does the Commission realize that it is in breach of the directive on equal treatment and does the Commission realize that as long as it applies such tactical manoeuvres to keep women out of the higher positions in the Commission this must be interpreted by women — and can only be interpreted by anyone — as a clear attempt and wish to hold on to traditional roles and help to delay a situation where men and

women would have the same influence in public life as in the family?

**Mr Vredeling.** — (NL) I am able to inform you that the Commission has already introduced part-time working; this is especially for women who for personal reasons, or to bring up their children, find it difficult to accept a full-time job.

As for the other part of the question, namely whether we keep female candidates out of senior posts, I must say that that is simply not true; this is a phenomenon which we are familiar with in all our Member States. The number of women applying for senior appointments is much smaller by proportion than the number of men. The proportion of female applicants for A posts at the Commission is only 20 %; we are trying to increase that percentage by improving facilities, etc. Furthermore there are certain social factors — which the Commission does not necessarily approve of — which play a part, such as the fact that our staff is international and that it is often much more difficult for married women to move to Brussels or other places in the Community than for married men. But again I would say this is not an argument in defence of the existing situation — I would like to forestall any protests from you on that count — but it is a reality in today's social situation and it must be our concern to break down this resistance.

**Mrs Dunwoody.** — I wonder if the Commissioner knows that he sounds exactly like all those men who ever thought of any excuse for not employing a woman? And is he aware that his own Commission has just produced an excellent report saying that when people do not comply with the rules on equal treatment they will be taken to the European Court? Does he suggest that this Parliament take the Commission to the European Court to find out why it is that you are not complying with the rules that you are laying down for other people?

**Mr Vredeling.** — (NL) That is not correct, we are completely in agreement with the rules which we impose on ourselves and the Member States but we cannot change the fact that only 22 % of the applicants for A posts are women. That is an unshakeable fact which is simply the result of the social position of the woman in general which we are trying to improve partly by the directives to which the honourable Member rightly refers; I have the impression that we shall soon have a further opportunity to make a number of observations worthy of consideration on this point.

**Mr Sieglerschmidt.** — (D) Mr Vredeling, is it really a fact that of the 22 % of candidates for A1 and A2 posts so many were inadequate that only less than 10 % could be appointed to these posts? That is my first question. The second is if so few women did in

**Sieglerschmidt**

fact apply for such posts, do you not believe Mr Vredeling that the Commission would have the means to encourage applications from suitable women from the Member States and to ensure that more women with suitable qualifications apply to take up such posts so that a figure of perhaps not 50 %, Mr Vredeling, but at least more than this scandalously low figure of 10 % could be attained?

*(Applause)*

**Mr Vredeling.** — *(NL)* I can give a very quick answer to that; yes, I agree with you entirely. We are trying to balance staff recruitment between the two sexes. This is even one of the objectives of our recruitment procedure. Another point: the reasons why there are so many fewer women applying for senior posts than men is to be found in the situation in the Member States themselves. But the objective which is implied in the question put by the honourable Member is also the Commission's objective and I would not like any misunderstanding to remain on this point.

**Mrs Squarzialupi.** — *(I)* In the Community institutions there are female employees who could, on the basis of national legislation, enjoy longer maternity leave.

Does the Commission not believe that harmonization should start in the institutions themselves, to ensure that within these institutions there is no discrimination in respect of more progressive legislation in this matter?

**Mr Vredeling.** — *(NL)* The honourable Members, including the last speaker Mrs Squarzialupi, are anticipating the debate which we are soon to have on the basis of the report by Mrs Dunwoody. During that debate I shall be able to expand rather more than I can do during question time on the question of maternity leave raised by Mrs Squarzialupi. Although this subject is related to the present theme I would like to give a more detailed answer in the discussion of Mrs Dunwoody's report.

**Mr McDonald.** — Would the Commission not consider reserving a certain number of posts in each grade, similar to the way the posts were reserved for the various nationalities immediately after the enlargement of the Community?

**Mr Vredeling.** — *(NL)* Perhaps, but in my view that is not possible under the present Staff Regulations. The issue is what is known as positive discrimination but it would in my view be going too far to say here that we will adopt the suggestion of the honourable Member in the Community Staff Regulations. The question of positive discrimination which has arisen in a number of cases is certainly a pertinent one. But whether we should go so far as the honourable

Member suggests and reserve a number of posts exclusively for women is a matter to which I would not like to give a reply either one way or the other without having consulted the union and other such persons.

**Mr Howell.** — While I very rarely find myself in sympathy with Mrs Dunwoody, I do think that the answer which she received from the Commission is rather inadequate. But could I say that perhaps she could take heart from the example Britain has set in appointing a woman to the highest political office?

*(Mixed reactions)*

**Mr Vredeling.** — *(NL)* Although the question was really addressed to Mrs Dunwoody I believe, I find it at all events quite normal that a democratic vote should result in a woman being called on to fill a high post.

*(Applause from the European Conservative Group)*

**Mrs Dunwoody.** — Well thank you, Mr President, I feel that I should offer to help the Commissioner out. I think that if he has any real problems and if Mrs Dahlerup and I replace two of his male Commissioners, we will soon solve the problem of administration inside the Commission.

*(Laughter)*

**President.** — As you will understand, that does not depend on Commissioner Vredeling alone...

*(Laughter)*

Question No 4, by Mr Seefeld:

In view of the talks the Commission has been having with the trade unions of the nine Member States, is the Commission satisfied that the effect of the agreements on outward processing will be to safeguard sufficiently the economic and employment situation in the textile industries of the EEC?

**Mr Vredeling, Vice-President of the Commission.** — *(NL)* The Commission considers it of the highest importance that the 25 bilateral agreements which it has negotiated in the framework of the new Multifibres Arrangement should be strictly enforced. As Members will be aware these agreements include a number of quantitative restrictions which are also respected by the countries concerned. These restrictions were included partly in view of the employment situation in the industry. The agreements which the Community has concluded with preferential countries fall outside the framework of the Multifibres Arrangement. The present preferential agreements accord unrestricted access to finished products to the Community market. Nevertheless, quantitative restrictions have been agreed for certain textile and clothing products with preferential countries in the Mediterranean area: quantitative restrictions apply to outward processing goods which are reimported from those countries.

### Vredeling

The Commission has also made a number of practical proposals for the implementation of agreements on outward processing with preferential countries in the Mediterranean area.

Although outward processing is not subject to the same rules in Romania, Yugoslavia, Poland and Hungary as in the countries which have acceded to the Multifibres Arrangement, the restrictions on these goods are enforced under national legislation in the individual Member States including the United Kingdom. The Commission intends to make proposals for the further regulation of this trade.

**Mrs Dunwoody.** — Is the Commissioner aware that the textile unions have almost unanimously rejected the suggestions that were made by the Commission? Indeed this particular type of operation is wiping out thousands of jobs in textile industries within the Community. Would he please do something very positive about it, because if he does not, there is not going to be a textile industry left? Frankly, the workers in these industries have had enough unemployment, and they are not going to put up with the totally inadequate suggestions put forward by the Commission.

**Mr Vredeling.** — (NL) Of course the Commission has considerable understanding for the employment situation in the textile industry as in other industries. But the Commission doubts whether we should operate more far-reaching trade restrictions to improve the employment situation.

**Mr Fletcher-Cooke.** — Is the Commissioner aware that since the Commission started to police the agreements, whether bilateral or multilateral, the textile workers of the United Kingdom, and certainly those of my constituency — contrary to what Mrs Dunwoody says — have had a much better deal than they have ever had under successive national governments, who failed to give them that protection? Is he further aware that there is difficulty about the policing of bilateral agreements by the European Commission? Could he give some detail as to how these bilateral agreements between two nations only, are to be policed by the EEC itself, since, of course, the other nations have a direct interest in seeing the bilateral agreements are enforced?

**Mr Vredeling.** — (NL) As Parliament knows it is always difficult to answer supplementary questions if the Commissioner responsible is not replying. I am unfortunately not able to answer the question of the honourable Member as to how we have organized policing of these arrangements and to what extent certain shortcomings still come to light. I shall forward the question put by the honourable Member

to my colleague Mr Haferkamp who is primarily responsible for this subject. If appropriate I shall request him to give the honourable Member a somewhat more satisfactory reply than I can do at present.

**Mr Christensen.** — (DK) I would like to draw the Commissioner's attention to a GATT survey which has shown that if completely free rein was given to imports of textile goods to West Germany this would certainly lead in a few years, in the 1980's, to the loss of 100 000 jobs in the textile and clothing industry, while at the same time the fact that the poor countries which are the countries mostly concerned would be able to export more textiles and clothing to the European Communities, including West Germany, would mean that they would consequently be able to purchase goods in West Germany and the conclusion of the investigation showed that this would create 90 000 new jobs. This means therefore a difference of only 10 000 jobs in the course of a number of years; that is not many in a country such as West Germany. Can the Commissioner confirm that this would be so?

**Mr Vredeling.** — (NL) From a macro-economic point of view the honourable Member is indeed correct, but from a micro-economic point of view unfortunately not. There is a whole world of difficulties between the deed and the dream. The honourable Member mentioned the example of the Federal Republic. He believes that as a result of the increase in trade the employees concerned could be engaged in other sectors of industry. Between the theoretical correctness of this remark and the practical feasibility of the ideal there is a world of difficulties which we would have to confront, with common measures and a common effort including a financial effort. I am thinking here of the need for retraining and of the older employees who would no longer be capable of following a retraining course and who would have to be retired early. So there would have to be a whole series of measures to realize in practice what the honourable Member has put forward as a theoretically correct conception.

**Mr Johnston.** — Mr President, both Commissioner Vredeling on this question and Commissioner Burke on the previous question, have taken refuge in the fact that they are not the Commissioners responsible for the subject. Now surely this is profoundly unsatisfactory. (*Cries of 'hear, hear'*) The Commission is a collegiate body, and either the Commissioner responsible for the question should be present, or he should ensure that the Commissioner who is present has all the answers.

(*Applause*)

**President.** — Question No 5, by Lord Kennet:

**President**

- 1974 — Europe Plus Thirty
- 1975 — European Institute of Economic Research and Analysis  
— European Foundation for the Improvement of Living and Working Conditions
- 1976 — European University Institute
- 1977 — Forecasting and Assessment in Science and Technology
- 1978 — European Foundation  
— European Economic and Social Policy Research Institute  
— European Centre for Documentation on the Environment

Will the Commission state which of these proposals are related to each other, and, if they all come to fruition, how they are to be harmonized?

**Mr Vouel, Member of the Commission.** — (*F*) Of the institutions mentioned by the honourable gentleman, only the European Foundation for the improvement of living and working conditions, in Dublin and the university institute, in Florence, effectively exist. The first is a foundation which finances research work of a very operational kind whilst the second is a university teaching and research establishment. As far as the Commission's 1975 proposal for the creation of a European Institute of Economic Research and Analysis is concerned, this was replaced by another proposal in 1978 for a European Economic and Social Policy Research Institute. This is at present before the Council and should in no way overlap on the tasks of the two other institutes mentioned and also constitutes a response to the various objectives of the 'FAST' programme which is the sequel to the 'Europe plus 30' report both from the point of view of the institutional formula put forward and the nature of work envisaged. As for the other two initiatives mentioned, the European Foundation and the European Centre for Documentation on the Environment, only the European Foundation has been the subject of a Commission proposal: is at present under discussion. Their objectives are based on quite specific needs.

To sum up I would therefore say that the harmonization of the programmes and work of the institutes which I have just mentioned cannot be considered in a general way. As for the Commission, it will ensure — as it has done hitherto — that the work undertaken or proposed is coordinated or harmonized wherever that is seen to be necessary.

**Lord Kennet.** — The House will obviously want to read with some care the very complicated answer given by the Commissioner. However, its very clarification prompts the following supplementary question: Does the Commission not sometimes feel that these institutions are growing up more because of individual campaigns in their favour, than because of any

considered plan for semi-autonomous institutions under the Commission? Furthermore will the Commission in the future, draw up a plan which will relate the work of those that are in existence and examine what is needed for the future?

**Mr Vouel.** — (*F*) We must make a distinction between research, research programmes and institutes. My reply was perhaps a little complicated. I underline that at the present time only two of these institutes effectively exist. These institutes evidently have a programme of work. Here I would like to insist on the distinction which must be made between the operation of these institutes, a programme of work, other institutes which are under consideration and the research programmes themselves.

**Mrs Squarcialupi.** — (*I*) What possible effective contacts are there between the Executive and these Community institutions for research to ensure that the latter work not on their own account but within the context of a Community programme? I would cite the case of the European Foundation for the Improvement of Living and Working Conditions. It is not in fact sufficient that the Commission should be merely represented on the Administrative Board of this or any other institution.

**Mr Vouel.** — (*F*) In every case where an institution is concerned there is a programme drawn up jointly with the Commission.

**President.** — Question No 6, by Lord Bethel:

Is the Commission aware that the cheapest way to fly from Copenhagen to London is via New York, that it is possible to fly from London to New York for the same price as to Shannon (Ireland)? Is it not satisfied that the bilateral agreements on air fares arranged between the Governments of Member States conflict with the Treaty of Rome?

**Mr Burke, Member of the Commission.** — The air transport tariff structure throughout the world is extremely complex. One price cannot be taken as representative for a particular route. One ought rather to talk about a price range. These tariff ranges may yield a high average revenue per passenger, or a lower one and yet they may still overlap. This is the case in the examples mentioned by the honourable Member. It is possible to construct such examples by taking tariffs from the lower end of the range where special conditions exist for routes to and from the United States of America, and comparing them with normal economy tariffs in Europe. The comparison is, however, unfair, since like is not compared with like. As mentioned in the reply to Oral Question H 3/79, the Commission will communicate a green paper to the Council and the Parliament in June. This paper will contain a much more detailed analysis of these matters than it is possible to give here today.

**Burke**

As to the second part of the question, the Commission is at present examining the bilateral agreements between Member States, especially with regard to their tariff clauses, to see if they are incompatible with the competition rules of the Treaty of Rome, in particular with Article 90 which concerns undertakings to which Member States grant special or exclusive rights. This examination is being carried out as a part of a general review of market structure in civil aviation and air transport policy currently being undertaken by the Commission.

**Lord Bethell.** — I am very grateful to the Commissioner for his assurance that this great problem is now being considered by the Commission and that we shall have the chance to debate it during the next few weeks. Will he not confirm, however, that most scheduled air fares are in fact decided by these bilateral arrangements between governments and Member States? And does he not feel that this is the most extraordinary way to decide how fares should be paid by travellers within the Community? Why should Member States have the right to decide what one airline should charge for its fares? And will he, in commenting further on this conflict with the Treaty of Rome, not venture the opinion that it would be far better, in view of the new turn which Europe has taken in the last few days, to leave the fixing of air fares to free enterprise, to firms that can provide a decent service between cities of the Member States at a decent cost, so that the traveller in the Community will benefit and be able to travel easily from one city to another within Europe?

**Mr Burke.** — I can confirm that the green paper in question will be available at approximately the time I mentioned and should therefore provide the basis for an informed discussion between the institutions of the Community. Secondly I agree with the honourable Member that air tariffs are formed in the bilateral context, largely taken up by the governments from negotiations which take place in IATA, which is the body bringing the airlines together to do this work. In regard to the question of competition, I will indicate to him that this is being examined and that the object of this examination will be to bring about such competitive fares as I think the honourable Member would desire. I look forward very much to the completion of this paper and to its reception by the organs of the Community in the not too distant future.

**Mr Seefeld.** — (D) Mr Burke, you have explained that bilateral agreements are being examined. I would ask you whether these examinations have already begun? How long will these examinations last? How much time have you personally allowed for these examinations and are you prepared to affirm to this House once again that a uniform air transport policy automatically requires a uniform pattern of prices?

**Mr Burke.** — I would hesitate to offer any idea as to the time-scale involved, except to say that we are at present engaged in this in the relevant services of the Commission, that we will be publishing a green paper for discussion and that it is a very complex area which does not exclude Article 84 which reserves a certain right, as the honourable Member knows more than many in this area, to the national Member States. I can assure him that this is being done by the Commission and I would hope that, say by the end of this year, this discussion should be much more advanced than it is at the moment.

**Mr McDonald.** — Is the Commission in favour of the cross-subsidization that the IATA spokesmen say is responsible for the inordinately high fares that consumers have to pay, if you compare them with what people like Freddie Laker could do the round trips for? Also, will the Commissioner in his green paper come down very firmly on the side of the consumer, the travelling public who are invariably forgotten when one talks to IATA people and people in the business?

**Mr Burke.** — I think the honourable Member is asking me to anticipate the results of the discussion which is taking place at the moment in the Commission in regard to these matters. It is a fact of life that cross-subsidization takes place but this is because of the very particular conditions on the North Atlantic route but I am not sure that by eliminating it we would necessarily improve the situation for the people that Mr McDonald is so interested in. I would ask him to await the outcome of this discussion, which should not take more than another couple of months.

**Mr Corrie.** — Would the Commissioner not agree that the present pay structure is operated on the wrong basis? Would he not agree that the present pay structure should be reversed? At the moment you pay a large fare, with deductions for cheaper fares; should it not be a cheap fare, with additions for extras, so that the travelling public can get the cheaper fare if they want?

**Mr Burke.** — There are a number of cheap fares such as the advance purchase APEX type, the 'budget' fares and standby fares, but it is not always possible to run an efficient scheduled service solely on the basis of this type of fare. I would allow myself to go just so far as to say I am in favour of such reductions in fares as will enable viable airlines to continue to serve the people of our Community.

**Mr Johnston.** — Could the Commissioner just confirm that the green paper to which he made reference was the same green paper which was promised in response to the own-initiative taken by Mr Kofoed,



**Johnston**

the former member of the Liberal Group? The Commission, as I recall, indicated to the Committee on Economic and Monetary Affairs in Rome that this was their intended response. Is it the same thing we are talking about?

**Mr Burke.** — I would confirm to the honourable Member that we are talking about the green paper on civil aviation which was spoken about at that meeting.

**Lord Kennet.** — Is the Commission aware that at the moment the fare per mile — and this is comparing like with like — the return fare per mile from London to Brussels is just 15 times the return fare per mile from London to the Canaries, and that for those of us who are trying to improve relations between Britain and the other Community countries, this is not the best situation?

**Mr Burke.** — The situation is approximately that described by Lord Kennet. It is, of course, due to the fact that one has, on the one hand, a scheduled airline offering services at regular times, and on the other hand, one is using holiday services which are to some extent part of the charter movement taking holiday-makers to the south.

**President.** — I declare the first part of *Question Time* closed.

I call Mrs Dunwoody on a point of order.

**Mrs Dunwoody.** — I have waited until the end of Question Time to raise this point of order, because I do think it is a very important one. It relates to question 4, which originally had been an oral question with debate because the employment and the economic situations in the textile industry are very important.

I wonder if we could look at the whole question of how these changes take place, because those of us who wanted it to be fully debated in a proper debate in this Chamber are very concerned at suddenly seeing the question transformed into an oral question without the original amount of time being given to it.

**President.** — I can reply to you that there exist other means whereby Members can request the holding of a fuller debate.

However your observation will be inserted in the Report of Proceedings for the present sitting and will be a stimulus to reflection on the part of the new, elected Parliament.

I call Mr Spicer on a point of order.

**Mr Spicer.** — Mr President, you will recollect, I am sure, that Mr Johnston did raise the question of Commissioners with direct responsibility being avail-

able to answer questions that were in their competence. Could I, in particular, ask you, Mr President, if you could request the Commission to ensure that Commissioner Cheysson is here later this week to answer Question No 17, which deals with relations with Rhodesia? You will recollect, I am certain, that there was a telegram supposedly sent on behalf of the Commission by Mr Cheysson, and we have not yet received an adequate reply to make quite certain that that was sent on behalf of the whole Commission. Could we ensure that Mr Cheysson is here to answer for a quite disgraceful telegram, Sir?

**President.** — Commissioner Cheysson is currently in Manila, involved in a meeting of UNCTAD, and I do not think he will be able to return in time.

## 12. Votes

**President.** — The next item is the vote on motions for resolutions on which the debate has closed.

I put to the vote the resolution contained in the *Nyborg report (Doc. 104/79): Company taxation*.

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

**President.** — I put to the vote the resolution contained in the *Noè report (Doc. 106/79): Air traffic control*.

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

**President.** — We now come to the *Kennet report (Doc. 36/79): Directive on misleading advertising*.

We must first consider the amendments to the text of the proposed directive.

On Article 5, second paragraph, point (b), I have Amendment No 1 tabled by Mr Delmotte, Mr Broeksz and Mr Sieglerschmidt on behalf of the Socialist Group, seeking to reword this point as follows:

- (b) bringing the matter before an administrative authority with adequate powers in those countries where such an authority already exists.

What is the rapporteur's view?

**Lord Kennet, rapporteur.** — Mr President, I have no opinion on this. I wish to leave it to the House, but I think it is my duty to inform the House that during the debate yesterday the point was raised that this amendment, which has not been discussed in Committee, could be regarded as discriminatory and that the Commission gave its opinion that it was unnecessary. These observations apply to all the first three amendments before us, and I have no opinion to give the House on any of those three. Neutral.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President.** — I put to vote Amendment No 1.

Amendment No 1 is adopted.

On Article 5, third paragraph, first subparagraph, I have Amendment No 2, tabled by Mr Delmotte, Mr Broeksz and Mr Sieglerschmidt on behalf of the Socialist Group, seeking to modify the text as follows :

*The Courts or the administrative authority in those countries where such an authority already exists...*

I put the amendment to the vote.

Amendment No 2 is adopted.

On Article 5, third paragraph, second subparagraph, I have Amendment No 3, tabled by Mr Delmotte, Mr Broeksz and Mr Sieglerschmidt on behalf of the Socialist Group, seeking to modify the text as follows :

*The Courts or the administrative authority in those countries where such an authority already exists, are enabled...*

I put the amendment to the vote.

Amendment No 3 is adopted.

On Article 5, fifth paragraph, I have Amendment No 4/rev., tabled by Mr Delmotte, Mr Broeksz and Mr Sieglerschmidt on behalf of the Socialist Group, seeking to amend the paragraph as follows :

*... and procedures shall exist whereby improper exercise by the authority of its powers or improper failure by the authority to exercise its powers can be reviewed by the Courts at the request of those involved.*

What is the rapporteur's view ?

**Lord Kennet, rapporteur.** — I advise the House to accept this amendment.

**President.** — I put the amendment to the vote.

Amendment No 4/rev. is adopted.

I put the motion for a resolution as a whole to the vote. The resolution is adopted.<sup>1</sup>

**President.** — The next item is the *Nyborg report (Doc. 30/79): Directive on construction products.*

I call Mr Schwörer.

**Mr Schwörer.** — (D) Mr President, ladies and gentlemen, as any one who heard the debate this morning will realize, the Nyborg report would not have left the committee in its present form if enough time had been available for discussion. That is a consequence of the final week of this European Parliament, where so often the normal rules have had to be bent. I listened very carefully to Mr Davignon's speech concerning these amendments and I must say that I completely agree with his intentions.

The Commission has indicated its disagreement with our amendments to the report as Mr Nyborg

submitted it. Mr Davignon assures us that Parliament will continue to play a part in consultations on technical harmonization. This removes the main objection raised by my friend Mr Luster this morning, namely that Parliament would be completely excluded.

The second point is that discussions will be held within the Commission in order to eliminate unnecessary complication and red tape. That was promised by the Commission this morning, and we therefore regard our second objection, as expressed in our amendments, as having been removed. This statement by the Commission changes the situation, and I am therefore able to withdraw, for myself and on behalf of Mr Müller-Hermann and Mr Müller, all our amendments.

However, in order to mark my dissatisfaction with the wording of the directive as proposed by Mr Nyborg in his report, that is to say my disagreement with Mr Nyborg's amendments, and my desire to see the original Commission version restored, I shall abstain from voting.

**President.** — I note that all the amendments to the proposed directive and the motion for a resolution have been withdrawn.

I put the motion for a resolution to the vote. The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the resolution contained in the *Nyborg report (Doc. 103/79): Regulation on Community transit.*

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

**President.** — We now come to the resolution contained in the *Bayerl report (Doc. 100/79): Rights of the individual in the face of data processing.*

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

The preamble and paragraphs 1 to 6 are adopted.

On paragraph 7, I have Amendment No 1, tabled by Mr Pintat on behalf of the Liberal and Democratic Group, seeking to delete this paragraph.

What is the rapporteur's view ?

**Mr Bayerl, rapporteur.** — (D) I recommend rejection of this amendment. Of course the treatment of legal persons is one of the most difficult problems in data protection legislation. The Legal Affairs Committee realized this and therefore chose the form of words in the resolution, namely that it "considered that it might be necessary". Whether it is will not be decided until after a long period of investigation and discussion. I therefore ask you to leave this paragraph in.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President.** — I put the amendment to the vote.

Amendment No 1 is rejected.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

I put paragraphs 8 to 17 to the vote.

Paragraphs 8 to 17 are adopted.

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

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

### 13. *Equal pay for men and women*

**President.** — The next item is the report (Doc. 98/79) drawn up by Mrs Dunwoody on behalf of the Committee on Social Affairs, Employment and Education on equal pay for men and women in the Community Member States.

I note that no-one has requested to speak.

The motion for a resolution will be put to the vote as it stands tomorrow at voting time.

The debate is closed.

### 14. *Tripartite Conference — Council of Ministers of Social Affairs on 15 May 1979*

**President.** — The next item is the joint debate on :  
— the report (Doc. 31/79) drawn up by Mr Albers on behalf of the Committee on Social Affairs, Employment and Education on

the conclusions to be drawn from the Tripartite Conference of 9 November 1978 ;

— the report (Doc. 147/79) drawn up by Mr Albers on behalf of the Committee on Social Affairs, Employment and Education on

the communication from the Commission to the Council on the improvement of relations with the social partners in the context of the Tripartite Conference ;

— the oral question with debate (Doc. 141/79) to the Commission tabled by Mr Van der Gun on behalf of the Committee on Social Affairs, Employment and Education :

Subject: Preparations for the meeting of the Council of Ministers of Social Affairs and Labour on 15 May 1979

For some time now measures in favour of workers in the iron and steel sector have been under consideration in all the Community institutions (Commission, ECSC Consultative Committee, Parliament and Council); these measures go further than the financial assistance granted pursuant to Article 56 of the ECSC Treaty.

Moreover, at its informal meeting of 9/10 March 1979, the Council invited the Commission to submit a document for its meeting in May concerning the various aspects of work-sharing as one way of assuring a better distribution of available work.

Since time is getting short and since any delay in the Council's decisions on these two series of proposals would be unacceptable :

— Can the Commission explain what stage has been reached now, one week before the Council's meeting, in the preparation of these proposals?

I call Mr Albers.

**Mr Albers.** — (NL) Mr President, there are no very great differences of opinion about the importance to the European Community of the Tripartite Conference. In general, the political parties agree that there must be consultation on how economic growth can be stimulated and the employment situation improved. Such consultation is now taking place in the Community, and is leading Member States to adopt certain measures. These are measures intended to raise the level of investment, protect existing jobs and create new ones, and they can vary from one Member State to another. It is possible that direct aid to industry will distort common provisions on competition. If the common market is to be maintained, support measures must be compatible with the relevant provisions of the EEC Treaty.

Not only is competition influenced by government support measures like investment premiums and tax concessions, but the employment situation itself can have a marked effect on the cost price of products where producers have free access to the common market. It is therefore extremely important that the Tripartite Conference should not be concerned only with the national interests of the Member States, but should be relevant to the wider interests of the European Community as a whole. This has been recognized by all parties, and it has been on that basis that the four previous Tripartite Conferences have been held.

It is nevertheless the case that since the first of these Conferences was held in 1975, they have all failed to live up to expectations and achieve concrete results. This has made it increasingly doubtful whether there is any point in continuing to hold them under existing circumstances. There is no doubt that whatever national measures have been taken to protect industries and jobs, unemployment is continuing to rise.

It may well be that the unemployment figures for March 1979 show an improvement in some Member States, but in others the opposite is the case. The overall picture is still disappointing. According to the figures for last year, male unemployment fell by 0.5 %, but the number of unemployed women rose by 6.9 %. That and the differences in development between Member States, together with expected demo-

<sup>1</sup> OJ No ...

## Albers

graphic developments, makes it likely that unemployment will remain a serious problem everywhere in the Community for some time to come unless a solution can be found in the form of Community measures in the field of investment policy and job redistribution.

The labour market will have to be carefully considered in terms of severe discrepancies in supply and demand in the Member States.

The Committee on Social Affairs, Employment and Education feels that the Tripartite Conference has a role to play here. In the report which I had the honour to draw up after the last Tripartite Conference of 9 November 1978, I referred to the specific and limited options open to the European Community. The policy of the Institutions should be directed at groups and sectors to which the provisions of the European Social Fund Regulation are applicable. The relevant instruments must be strengthened. Parliament has repeatedly called for increases in fund resources.

Exchanges of young workers and the mobility of all workers must be substantially improved. The action programme for migrant workers must be implemented, and a solution must be found to the problems affecting transfrontier commuters. The existing directives on the improvement of the position of working women must be strengthened and made genuinely effective. Existing measures to combat youth unemployment must be improved, with particular attention being paid to vocational training including retraining where appropriate, and a link should be established between work and education. Projects to find jobs for handicapped people must be extended.

The Committee on Social Affairs, Employment and Education is aware that only a limited number of areas and projects can be covered here. But it recognizes the need to concentrate on specific possibilities, and would point to the leading role the Commission can play by initiating consultation at European level between employers and employees both within and between sectors.

It will be important to establish binding Community criteria on such matters as the removal of structural obstacles, the improvement of the legal position of part-time workers, and the need to eliminate unfair practices by employment agencies.

The motion for a resolution calls in paragraph 9 for a reduction in working hours of about 10 % over five years; it is suggested that the public authorities, should set an example as the largest employers. In paragraph 12 it is pointed out that there is a connection between selective investment policy and job creation, and that damage can be done by shoring up firms that have no future. Nor should businesses or jobs be protected at the expense of the world's poorest

countries; every effort must be made to ensure that development cooperation leads to improved employment prospects in those countries in accordance with ILO standards. In paragraph 15 it is pointed out that multinational undertakings will have to be brought under effective control if this is to be achieved.

The report concludes that it could be worthwhile for the Tripartite Conference to continue as a means of enabling policy programmes to be worked out in more detail, and as a way of making it possible to get them implemented. It also gives some suggestions as to how preparations for the conference could be improved.

In this connection, it will be important for the participants to speak on specific proposals; the Conference must be conducted in such a way that more specific conclusions can be drawn than hitherto.

A communication from the Commission to the Council of 27 April 1979 contains proposals for improving the preparations for the Conference in the light of the suggestions contained in paragraph 16 of the motion.

The Committee on Social Affairs, Employment and Education gave its full approval to this communication in a separate report. It points out that in the interests of efficient preparations for the Tripartite Conference, it is essential for communications and draft resolutions on this Conference to be forwarded for information in good time to the European Parliament and the Economic and Social Committee in order to ensure democratic control over the Commission.

Here it is in no way intended that Parliament should be allowed to interfere in discussions between the parties at any particular conference. But sooner or later Parliament will be confronted with specific proposals from the Commission based on such discussion. In view of the time required for preparation, it would be unfair if Parliament were not clearly informed as to the policy it can expect to be pursued. Parliament must have the opportunity of being informed at regular intervals and of being allowed to represent the wishes of the electorate. Here it is significant that the Commission's communication to the Council refers to the positions taken by the European Trades Union Confederation and the Union of Industries of the European Communities, but makes no mention of the resolutions adopted by the European Parliament relating to the need to improve what, in the European Parliament's view, are inadequate preparations for the Tripartite Conference. If the failure to refer to this is to be taken as meaning that the Commission feels that Parliament can be disregarded as not being party to the Conference, then one achievement of this motion for a resolution will be to point out that this is unacceptable and could lead to difficulties between the European Parliament and the Commission.

## Albers

The Committee on Social Affairs, Employment and Education adopted both motions for resolutions unanimously with one abstention. If Parliament now adopts them in plenary sitting, it can be expected that the Council of Ministers of Social Affairs will quickly adopt the Commission's proposals at its forthcoming meeting on 15 May. It would be appreciated if the Member of the Commission could indicate what the Commission's expectations are here.

## IN THE CHAIR : MR ADAMS

*Vice-President*

**President.** — I call Mr van der Gun.

**Mr van der Gun, chairman of the Committee on Social Affairs, Employment and Education.** — (NL) Mr President, I wish only to make a few brief remarks and should like to begin by thanking Mr Albers for the outstanding way in which, as always, he has introduced and defended the position of the committee. I shall come back to that shortly. Before I do I should like to make a brief introductory statement on the question tabled by the committee on job redistribution and the social aspects of certain activities, relating in particular to the steel sector, on which the request for a vote without referral to committee was made this morning.

The Committee on Social Affairs, Employment and Education is concerned that a large number of businesses and sectors are experiencing considerable difficulties, and will continue to do so, and that although plans do exist for an economic approach to job sharing, there is a danger that social needs will tend to be overlooked. This was one of the things that led the committee, and the Christian Democrats in particular, to propose two weeks ago in Strasbourg that the extent to which we should cooperate in restructuring in certain sectors should depend on the extent to which the social aspects are taken into account. At the time I quoted Mr Davignon as having repeatedly said in public that the two aspects are inextricably bound up with each other. But we rather get the impression from the press that there are still some differences of opinion about this in the Commission. We find this a cause for some anxiety, and discussed it at a meeting on 30 April this year. We came to the conclusion that neither the Commission nor the Council can afford to postpone a decision for much longer.

The Commission has been as good as its word and for that I thank it. Without giving anyone else less than their due, I think most of the credit must go to Mr Vredeling for getting the Commission to adopt the greater part of his views as its position. I should point out that we still depend on the press for what information we have, and that Parliament has still to be

informed of precisely what was decided in the Commission. We would therefore ask Mr Vredeling to bring us up to date and tell us what the Commission has decided. We naturally feel that the Council cannot afford to put this off for much longer either. We have been debating this matter for a fair number of months already, and it affects many thousands of people. We are naturally concerned that the Council should reach a decision as soon as possible.

I turn now to the Tripartite Conference. I don't really need to add anything to what Mr Albers said on behalf of the committee. The approach which has now been put forward by the Commission should create the possibility — I put it no more strongly than that, because I have become a little bit sceptical about the Tripartite Conference over the years — that it might achieve something more in practice than it has done hitherto. I was glad to see from its proposals that the Commission has improved its position on this. It also looks as if it will be possible to submit specific proposals, that these proposals will be debated, and that we will not, as we did in the past, simply move on to the next item on the agenda, but will actually be able to take decisions. The Commission would then be given the task of carrying out those decisions. In short, there will be some kind of follow-up to the Tripartite Conference, something that has been all too lacking in the past, even if the items proposed for the discussion by the Commission were interesting and worthwhile in themselves.

But that was as far as it went; there was any number of statements and speeches, but they were always immediately followed by the next item on the agenda.

I agree with Mr Albers that hardly anything is said in this connection about sectoral policy. I do not think it can be the Commission's intention to neglect this. However important high level discussion in a macro-economic context — as it so grandly says — may be, the plans themselves must in general be implemented sector by sector. I therefore agree with Mr Albers and with the committee that we might well have expected the Commission's proposals for the Tripartite Conference to have contained some consideration of the importance of sectoral policy in its own right. I would therefore ask Mr Vredeling to explain why this element is missing. I hope and expect that the social partners will be prepared to accept their responsibilities, because to be honest, the Commission can set up as many structures as it likes, but if the social partners do not show willingness to cooperate they might as well not bother. I am glad therefore that the Commission has not simply come forward with proposals of its own, but has consulted the employers' and employees' organizations before doing so. In our view this justifies the hope that the proposals will lead to a more constructive approach this time than, unfortunately, they have tended to do in the past.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** (NL) Mr President, I am grateful to Parliament both for allowing the two reports by Mr Albers to be placed on the agenda and for allowing Mr van der Gun to table a searching and specific question to the Commission, thus enabling a debate to be held on the decisions the Commission took last week. Since we have three items which were taken more or less coincidentally at the same meeting of the Commission and forwarded to the Council I will, at Mr van der Gun's request, indicate what the Commission decided to forward to the Council and what it decided to forward to Parliament and what exactly is involved. I believe that, at least since I have been a Member of the Commission, this is the first time it has happened that three extremely important social policy decisions have been taken at the same meeting, and that on the eve of direct elections. I shall come back to that later. The three items are job-redistribution, which has already been discussed several times in this Parliament, social policy in relation to restructuring in the steel sector, and the procedure for the Tripartite Conference.

I will, if I may, deal with job-redistribution first. The document contains an initial position of the Commission on an extremely topical question. This is a question which is being considered in all the Member States it is one of the most important items on our political platform today, and it directly affects the whole population. The Commission has now adopted a position of its own for the first time, having set up a study at Community level on this matter about a year ago. You may well ask why we did this. The reason is that in all Member States without exception the question of reducing working hours is an extremely topical and controversial one, and quite liable to lead to social conflicts.

Social conflicts have often been caused by efforts to reduce working hours in one way or another. The trade unions have had their successes and their failures. It is nevertheless clear that this is the direction in which things are going. The issue is still topical. We know that it will again be on the agenda at the next negotiations. This has been said repeatedly, and we know it will be the case. We are therefore confronted with the problem at Community level.

This is happening at a time of continuing high unemployment with six million registered as unemployed and we can predict with demographic accuracy that by 1985 an extra 800 000 people will be coming onto the labour market, every year a large proportion of them young people and women, in a situation where it is highly unlikely that there will be sufficient economic growth to relieve unemployment significantly.

If we look at the figures produced by the Commission's economic services we see that the estimates for economic growth in the coming years lie at around 3 to 3½ %, but if we hope to achieve full employment by something like the mid-80s then, allowing for the various demographic factors and social changes that are causing more women to look for jobs, we will need to have economic growth of at least 4.5 %.

This discrepancy between expected economic growth and necessary economic growth is a basic concern, and is what has led us to raise the matter of job-sharing.

It is certain — though I do not want to go into this in detail just now — that the economic problems of this Community must be tackled jointly, and we must not fail to deal with the social aspects of economic growth and economic policy.

This should be treated as an integral part of economic policy. But we must bear in mind that while there are various groups in our society who must be protected, this must not be allowed to lead to stagnation of our structures. The recovery of economic growth must not mean the return of inflation. We are aware that we must work with limited supplies of a number of primary products, and must also cope with the enormous problems of the pollution of our environment.

These are all problems we must take into account in trying to restore full employment but we must use economic growth to do so in a more sensitive way than in the past. Here we must consider whether complementary measures will be necessary, in particular in the social field, if full employment is to be achieved. The Commission has come to the conclusion that there is an inescapable need to use the instrument of job-redistribution, but not as the principle means of achieving full employment, because it will not bring about full employment on its own. We shall have to use the mechanisms of economic and trade policy, indeed we shall have to use all the social and economic policy mechanisms that are available to us, but even so there will obviously be a gap that cannot be filled using these means alone, and job-redistribution will therefore also be a necessary mechanism if we are to have full employment by the mid 80s — even before if we are prepared to make an extra effort.

We must also recognize the uncertainty that surrounds our attempts to predict the results of job-redistribution. We are faced with the difficulty that when we are asked to state precisely what the results will be if, for example, we reduce working hours per week, or give longer holidays, or encourage people to retire early, we still cannot predict them accurately. We simply know in a general way that job-redistribution is one mechanism we must promote in order to improve the employment situation.

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If is important to remember that the idea of reducing working hours is by no means a new one. The way it is discussed in some countries, you sometimes get the impression that it is something completely new. The fact is that the process of reducing working hours has been going on since the last century. You need only think of the introduction of the eight-hour day, or the five-day week. And developments over recent years indicate that on average there has been a reduction in working hours of between ½ and 1 % and it is extremely important that we should try to do it methodically — is to reduce working hours as a means of improving the employment situation, and to do so at a time when our economic growth is much slacker than it has been for a fairly long time.

Trying to do that means that there will be less scope for improving working conditions in general. We must be quite clear about that. Reduced working hours will mean that it will be more difficult to improve social conditions in other respects. In the past we sought to reduce working hours primarily as a means of leaving people more leisure time. That is still an important objective in itself, but the main objective now must be to create a mechanism for achieving a fair distribution of available jobs. If redistribution is to bring about the results we are seeking, then we will have to accept that some of the economic leeway that is available for social objectives will have to be taken up with shortening working hours or some other form of job-redistribution. I cannot say often enough that this means that job-redistribution will be competing with claims for higher real wages. So it is clear that workers and workers' organizations that are faced with the choice will be more willing to accept an alternative that forms part of an overall policy directed towards social improvements and a more democratic ordering of society as a whole.

In these circumstances the Community must take the initiative and ensure that there is a coordinated approach; without coordination, the conditions of competition will be distorted. What could happen is that one country will opt for a 35-hour week, another for longer holidays, while yet another will settle for early retirement. This is hardly the right approach. But in practice it now looks very much as if this is how things are going in the different Member States, and even within certain Member States. If matters are allowed to proceed in this uncoordinated way, you will get a leap-frogging effect. People who have got the 35-hour week will start asking for the longer holidays that have been secured in other sectors or in other countries. Those who have been given longer holidays will start putting in claims for early retirement, and the whole thing will soon get out of hand. Too much will be demanded of the economy. You will end up in a worse situation than you started out from. The only answer therefore is a coordinated

approach. I think the Council of Ministers is gradually coming round to this view. At the beginning of March we held an informal discussion in the Council of Ministers of Employment and Social Affairs from which it emerged quite clearly that the Ministers were aware of the need to coordinate and channel the action that is being taken in the different Member States and in different sectors.

The European Council also gave considerable thought to this problem in March when it considered social problems for the first time. The Commission was invited to this meeting and asked to draw up proposals and submit them to the Council.

Our document concentrates on the role of the Community. We agree that the social partners in all countries should have negotiating autonomy, on job-redistribution as on everything else, but I don't think that excludes action at European level. Here I would again like to stress, as Mr Albers has just done, that it is extremely important for there to be direct contacts between the social partners at European level. That has certainly not happened as often as it should have in the past, and the Commission is certainly very keen to bring such contacts about and to get better results. Mr van der Gun also referred to the need for contacts at sectoral level between the social partners; I agree. If we are talking about the policies being pursued in different sectors such as the steel sector — which I shall have more to say about later — we cannot expect to get results unless the social partners are organized at European level. This is a matter which the Commission is giving its full attention to, and which we want to encourage as much as possible. We still of course depend on the good will of the social partners, the workers and employers, to make contacts at European level and to organize the negotiating structure.

If we organize the discussions at European level we might well ask what responsibilities should be taken over from the national level. I think this will be inevitable both for the social partners and for the organizations which have already got together at European level. We must of course respect the autonomy of the social partners, but we are already seeing signs that this is the way things are going. I am thinking here of the trade union movements, in particular the forthcoming meeting of the European Trades Union Confederation in Munich, which will again discuss the transfer of responsibility from national to European level, but this is a process that cannot stop there; the trade unions must follow it up, and the employers must set up a negotiating structure at European level. The same problem crops up in relations between the Community institutions and the Member States, but the autonomy of the social partners must not be used as an excuse for doing nothing. Each party must work on its own ground and on its own responsibility, and that means that it will be up to the Community to

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take the initiative by giving an impetus to discussions on the subject of redistribution of available jobs. We must work out a minimum set of joint procedures that will give an impetus to the social partners and help them in their dialogue with each other and in reaching the agreements that must be secured at European level, and at the same time the legal basis be fixed for the dialogue between the Community institutions — that is the Commission and the Council — and the social partners.

The social partners must be given the opportunity to hold certain discussions at European level; here use can be made — you will find this in the document — of certain global framework agreements at European level, such as those between the European Trades Union Confederation and UNICE, which can later be worked out in greater detail for each Member State.

If framework agreements of this kind are to be reached, it is clear that the social partners will have to improve their organization at European level so that they are capable of holding these kinds of negotiations and reaching this kind of agreement, because that is the only way that basic proposals can be fleshed out. This is precisely the proposal we have put to the Council for the improvement of the procedure for the Tripartite Conference.

The governments should also be involved in these consultations so that they can observe the results of discussions at European level at first hand and act on them, in some cases providing the legal instruments for implementation. The Commission would point in particular to the process of reaching framework agreements which was noted at the informal meeting of the Council of Ministers in connection with the reduction of the systematic use of overtime for example. Mr Albers called it structural use of overtime, but it amounts to the same thing. And why is this so important? I believe that we must ensure that our efforts to reduce working hours are not cancelled out by overtime. The European Council was aware of this problem. In the conclusions of the meeting of the European Council you will find a clear reference to the importance of overtime in connection with job-redistribution in general and reduced working hours, and this has been taken up by the Commission. We shall certainly come up with proposals about this after our document has been discussed. In the framework directive it could for instance be laid down that a maximum number of hours of overtime must be fixed in relation to total working hours by stipulating that the longer the number of normal working hours laid down in collective work agreements, the shorter the maximum amount of overtime allowed. Any hours worked over the maximum should be compensated for with extra leave. Other Community initiatives might include a reduction in the length of time

worked annually by increasing leave or reducing working hours. Where the reduction of annual working time is concerned, the trade unions and employers will be confronted with the need to make a choice. You cannot have long holidays, and a shorter working day, and Friday afternoon off, or what have you. A clear choice will have to be made.

Shift working is another form of job-redistribution. You could introduce a fifth shift in jobs that are worked in four non-stop shifts now. It can also be done in another way. The Federal Republic of Germany has been extending the operation of its 'Freischichten' system. This is a modified version of the four-shift system, which gives workers more free time.

In general the Commission feels that the shift work must be organized by sector. It depends on the nature of the work. It could be expected to apply more especially to dangerous and heavy work.

Another method is early retirement. This would mean gradually reducing pensionable age. This would be a way of reducing total working time, and should be of interest to older workers who are now approaching retirement. It is a method which I personally think highly of because of the desirable social implications. It would of course have to be a matter of free choice, but I think it is a very important aspect of job-redistribution.

Other methods could include longer periods of education and occupational training, the introduction of arrangements such as sabbatical years or alternating work and training on the lines of the French system of *formation en alternance*.

I should like to say a few words about the spread of part-time work. This was already brought up at Question Time. It must be organized on a voluntary basis and above all in a non-discriminatory way. It is unacceptable for women to be employed disproportionately in part-time work, and in the lowest paid jobs at that. This must be seen as an abuse of part-time working.

Agency work also has to be mentioned. This should be cut back to reasonable levels. Effective controls need to be brought in here, because the agencies are still tending to cream off the top of the labour market. Some undertakings are making structural use of employment bureaux. They rely almost entirely on temporary workers who can be shown the door as soon as business drops off slightly. The workers are left at a loose end at a cost to the Community and without any cost in social security contributions to the employer. This is one negative aspect of the agency system. It does nothing to improve the employment situation, and I think we could do well to discuss this matter and that the situation could be improved by decisions taken at European level.



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I should like now, Mr President, to say a few words about the cost of job-redistribution. You will find that our document deals with this in some detail. All I want to say is this. Of course the costs of job-sharing will be extremely high. We must be very careful not to create distortions in relations between the Member States and not to price ourselves out of the market in relation to the rest of the world, especially the rest of the industrialized world. But full attention is being paid to the economic aspects in discussions in the Member States. Before a definite assessment of the economic and social importance of the measures to be taken can be made, we must get a view of the problems of job-redistribution as a whole. The effect on society as a whole must be considered, because there is more to it than the economic aspects or the micro-economic aspects in a particular undertaking or sector; the reduction of working hours and redistribution of jobs in general could help to improve working conditions; it will give those who are out of work now a better chance, and it is thus a question of creating equal opportunities for all, which in turn will help to bring about more agreement between the social partners and with the governments. This could also improve Community solidarity. I would have thought that in the present difficult economic and social situation in the Community, and particularly in view of the rather poor economic prospects, more consideration should be given to creating a stronger climate of solidarity as opposed to purely economic considerations alone.

A final word about procedure as envisaged by the Commission. The debate in Parliament will be followed by a further discussion in the Council next week at the meeting of the Ministers of Employment and Social Affairs. The documents we have forwarded to the Council will be discussed at that meeting. On the basis of that discussion the Commission will then draw up a concise policy document which it will forward to the European Council, at that body's request, which is due to meet on 22 June. We hope that the European Council's decision will enable us to take our work a stage further. We should then go on to work out the specific action to be taken at Community level in close cooperation with the Standing Committee on Employment. If all goes well we should be ready to discuss this in the autumn.

So much for job-redistribution. I turn now to the document on the social problems of restructuring in the steel sector. I would recall that we produced the preliminary working document on this last summer and forwarded it to the Advisory opinion. That has been sent to you. We concentrated on restructuring in the steel industry and on associated measures. This was done in conformity with the opinion of the European Parliament. I would recall the resolution that Parliament adopted on the basis of the report by Mr Laurain. You are of course familiar with Article 56 of

the ECSC Treaty. So far we have used that article as a basis. Conventional social security provisions are naturally still very valuable. Here I am thinking of unemployment benefits, retraining and re-location payments housing subsidies, etc. These kinds of social security measures can still be useful. But we also need a number of new arrangements for restructuring in this sector. Here I would mention, for instance, the modern variations on conventional arrangements known in Luxembourg and Belgium as the *division anti-crise* or *cellule d'emploi*. These seem to be achieving good results in their own right and I know that this is also being discussed in France. The way this works is that workers who would ordinarily be made redundant by restructuring in the steel industry are organized in pools and found jobs in other sectors and firms on a temporary basis with guaranteed wages. This is a highly commendable form of social measure which we would do well to consider. At the same time, it should not be treated as a kind of parking lot for the unemployed. We must enable people to carry out useful work in the general interest or in specific projects. We can also reallocate workers threatened with unemployment in the steel industry by means of temporary retraining. If they are found lower paid jobs we can pay them income supplements, a system that has been applied to mine closures in the past. Measures of this kind can also be taken into consideration, and in principle they qualify for support from the ECSC budget. But aid payable under Article 56 is insufficient for the simple reason that there are new forms of aid which the Member States can make use of and which are not provided for under Article 56, and because there are limits to how far we can go with restructuring; we can accept some measures, but must reject others that do not fall within the terms of restructuring under the Davignon plan. We have opted for restructuring, because we feel it can lead to economically and socially responsible rationalization and modernization, with the possibility of complete or partial closures, as well as renovation or enlarging of firms, or parts of firms, in the steel industry. This must conform to overall objectives set down by the Commission from time to time.

Now the new forms of aid which we have proposed come partly within the scope of job-redistribution. This is connected with the previous question relating to early retirement and the improvement of continuous shift working through partial unemployment or shortening of the working week. I already referred to the German system, the introduction of a fifth shift and so on. These are measures which should create the right social circumstances for the large numbers of workers laid off by the steel industry to enable the process to take place in a responsible manner.

Without these measures some 81 200 jobs stand to be lost in 1979 and 1980, most of them in Belgium, France, Luxembourg and the United Kingdom.

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I turn now to the financial aspects: we estimate the total cost of these measures at 89 million EUA, 44 million of which are earmarked for the new policy with 53 million for 1980, half of which will be needed for the new policy we are proposing. The financing arrangements have not yet been quite rounded off. We are still working on this at the Commission. There will certainly be more detailed proposals from the Commission to the Council. I would recall that the Council has not yet rounded off the financing of the current budget. I would recall the 28 million that the Council was kind enough to approve when we had asked for 60 million: That shows how seriously the problem is being taken. But that need not stop us from coming along with new measures and stating that these measures will cost more money, even if we are talking about amounts that would not be thought excessive in a debate on agricultural policy.

A final word about the Tripartite Conference, in particular for Mr Albers. I am grateful to him for the support he has given us on behalf of the Committee on Social Affairs, Employment and Education. We are aware that the trade unions have stated that unless the procedure and also the objectives of the Conference are improved they no longer wish to take part in it. In the debate at the informal meeting of the Council of Ministers of Employment and Social Affairs, we reacted to this by producing a specific proposal. I shall not repeat what that document contains. You can all read it for yourselves. In my view it expresses agreement with Mr Albers' report. I readily agree that if we could devote a little more time to this and if things were better organized we could also keep the Parliament informed and better advised. Mr Albers was perfectly correct to say that. In the past there has tended to be considerable confusion because there was a much shorter time between the production of the documents and the holding of the Conference itself.

I know that the problem will not be solved simply by proposing better procedures. We must go into the matter much more thoroughly. It is not only procedure but policy itself that needs to be improved. In our proposal on redistribution of work and on the social aspects of the steel problem we have taken this into account, so that to that extent the proposals form a balanced whole. These are important issues. The Commission has already discussed them at great length. It did not complain at our proposals being taken so late. The matter has been discussed thoroughly and the decision was not an easy one. I think it is a courageous decision on the part of the Commission, and I am glad that it has been possible to submit it to Parliament and to the Council in this form at precisely this time of economic difficulties and high unemployment.

The Community's social policy is no luxury, but an integral part of our crisis policy. The European

Economic Community must evolve as a close-knit social community to which its citizens feel they belong, and I believe that our proposals will also be of value in connection with the forthcoming direct elections to the European Parliament. As a Member of the Commission I am grateful to have had the opportunity of bringing our proposals before Parliament and before the Commission at an opportune moment.

## 15. Procedural motions

**President.** — I call Mrs Dunwoody on a procedural motion.

**Mrs Dunwoody.** — I understand that my report has simply been removed from the agenda. Now, when I left the House this morning — and I have been present in this Chamber on and off most of the day, including the whole of Question Time — I was of the opinion that there was still another debate before my particular subject. I think it is absolutely extraordinary, if the report that I have heard is true, that there was no single Member of this Parliament who thought equal pay was sufficiently important to get up and make one single statement about it. If that was what happened, and it was passed over because I was not in the Chamber, then I think it is both arbitrary, outrageous and undemocratic.

It seems to me that there should have been at least one person who could have made some kind of protest, apart from anything else, at the extraordinary way in which at least four very important, or so-called-important, reports have been lumped together, so that the amount of time given to them was absolutely minimal. The speaking time given to the groups on the question of the 35-hour week was absolutely minimal, and it now appears that a report on equal pay will go through this Parliament without one word of discussion having been to it. I regard that as totally unacceptable. I would have thought that the Commissioner might at least have made a small speech to comment on all the things that he says he agrees with so strongly.

If you don't agree with these things, then don't say that you do: don't get up and make speeches which you manifestly don't mean. That is true of all of the other Members of this Parliament who did not think equal pay worth one single word.

Now, I want my report put back on the agenda, if not today, then before the end of this part-session.

**President.** — Mrs Dunwoody, it is not so that your report has been removed from the agenda. My predecessor in the Chair called this report. The rapporteur was not in the Chamber, although we tried to find the rapporteur — in other words, yourself. No-one else

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spoke on it. All the necessary conditions for the report being debated were satisfied: i. e., there was an explanatory statement there, and a motion for a resolution. The President decided — and in my opinion decided rightly — that the debate was thereby closed, and that the motion for a resolution would be put to the vote in due form tomorrow at 3.45 p.m. Thus nothing has been removed from the agenda, and a vote on the motion for a resolution will be taken in due form tomorrow at 3.45 p.m. I would suggest, Mrs Dunwoody, that, in respect of the report, which we cannot now insert in the agenda for today, you deliver an explanation of vote when voting takes place tomorrow. This opportunity is still open to you.

I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (NL) Mr President, may I comment on this because Mrs Dunwoody has just reproached me with remaining silent on this matter. The reason, Mrs Dunwoody, is that at that precise moment I was not in the Chamber. The matter slipped my notice entirely. I am sorry that I did not have an opportunity to say anything about this extremely important subject. All I can say is that I regret this, though I do not wish to blame anyone for it. Nor do I accept the blame for not saying anything because I was not in the Chamber when this happened.

**President.** — I call Mr Bertrand on a procedural motion.

**Mr Bertrand.** — (NL) Mr President, I should like to refer to the Rules of Procedure. I am surprised at the way in which this debate is being conducted. I refer to the oral question with debate by Mr Fellermaier on employment policy. This is exactly the same question as the one to which Mr Vredeling gave a full reply this afternoon and I am wondering whether we shall be discussing this again tomorrow. What has become of the agenda? The question to the Council in Doc. 125/79 is somewhat different. But the question to the Commission in Doc. 126/79 should have been taken in the same debate. I draw your attention to this to avoid this debate being opened again tomorrow. So much for that point. My second question is this: what are the arrangements for the debate on the extremely important and sensitive political problems which Mr Vredeling has just raised? Are we getting only 5 minutes on this? And are we going to give the impression that we are no longer interested in the three major problems which are at present headline news? I would have liked to know how speaking time was to be allocated so that we should at least have a chance, despite being unprepared to state our views clearly on this subject.

**President.** — Mr Bertrand, I am dreadfully sorry, but your complaint is misplaced. The plenary session

agreed yesterday on an agenda — the one, indeed, which lies before you. That also means, therefore, that this motion for a resolution by Mr Pisani, Mr Lange and Mr Fellermaier will be taken tomorrow. I am very sorry, but that was accepted by the plenary session.

## 16. Tripartite Conference — Council of Ministers of Social Affairs of 15 May 1979 (resumption)

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

**Mr Dinesen.** — (DK) Mr President, I will be brief. I merely want to say that on behalf of the Socialist Group I support the report submitted by Mr Albers. As has been said, we in the Social Affairs Committee have frequently discussed the problem of the Tripartite Conferences that have been held and we attach great importance to them provided, of course, that they are well prepared; that is the main thing. On the other hand, the trade unions have pointed out that they served no useful purpose and that they do not want to attend them.

In my opinion it is extremely important to have the closest possible cooperation between the labour market partners in the Community. This is obviously especially important in view of the economic crisis that exists in all Community countries. The unemployment rate is quite unacceptable; the hardest hit are young people, on whom our future depends and women; women are particularly hard hit by unemployment because, despite repeated efforts, there is still discrimination against women, not only on the labour market but also in many other sectors.

The trade union movement is particularly interested in many labour problems, economic structural problems, regional policy and the social well-being of all Community citizens. When we think that almost 80 % of all citizens in the nine Community countries are wage-earners we can understand why the European trade union movement is so interested in helping to solve all these serious problems. I am very well aware that the Community cannot effectively intervene to solve all the problems we are faced with. There is a lack of goodwill among the governments, there is a lack of money and, in my view, there is also a lack of imagination. I am obviously also aware that it is no easy task and that there is no patent solution. But nevertheless, it must be possible in my view to get something done and I hope that the Commission's communication will be instrumental in this although I must admit that I am rather sceptical about many of the views put forward by Mr Vredeling.

It is admirable that special campaigns are being started to combat youth unemployment and to find jobs for more women. But the problems facing us on the labour market today are much greater and may have very serious consequences unless we give them

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full consideration in time. It has also been mentioned today that proposals have been made to divide existing work and the work expected to be available in the next few years. We have also discussed the proposals for shorter working hours, earlier and more flexible retirement age, reduction of overtime and a lengthier education for young people. They are good proposals as far as they go, especially in view of the existing heavy unemployment, but in my view the technological developments in the wake of the economic crisis are now so rapid that we must reckon with there not being 40 hours of work a week for all who want to work in the 80s. But after all there is no law of nature that says we have to work 40 hours a week.

Let me just give one example of what I mean by rapid technological developments. We have a famous brewery in Denmark, which I am inclined to think all Members of Parliament know. A new modern brewery has just been built in keeping with recent technological developments which means that 144 workers can now produce the same amount in the new brewery as 700 workers have so far produced in the old brewery. That is just one example but much the same thing is happening in many areas; technological developments are progressing so rapidly these days and, as I said, the economic crisis has increased the trend. So what does that mean? There is certainly no-one that can give an answer today, but perhaps in 10 to 15 years' time we will be down to a 20 hour week to ensure that there is work for everyone unless we accept that it is only the employers, i.e. owners of capital, that are to benefit from technological developments. But I don't think that would be fair.

I want to emphasize that economic growth is not enough in this situation. I would, therefore, like to ask the Commission whether it does not feel that despite crisis and economic structural problems, technological developments are progressing so rapidly today that they could become crucial to future labour market policy, and does it therefore not think that it is high time to initiate research and studies in this, in my view, very important field, to get long-term planning underway in this field? I myself feel that it is so important that it should be given priority at the forthcoming Tripartite Conference.

That is all I have to say; I agree with what Mr Albers has already said and I thank the Commission for its new initiative for which Parliament provided the inspiration. I hope it will have the effect of initiating the constructive dialogue we have called for with the labour market partners.

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

**Mr Bertrand.** — (NL) Mr President, I should like to thank and congratulate Mr Vredeling firstly on getting

his plan through the Commission on 2 May last and also on his introduction here today. I very much regret the fact that this debate on one of the Community's most acute problems has been so poorly attended.

I should like to discuss the three documents Mr Vredeling has forwarded to the Council on behalf of the Commission.

Turning first to the document on the amendment of the procedure with a view to making future Tripartite Conferences more effective, Mr Albers has expressed in his report our disappointment at the failure of the Tripartite Conference of 9 November 1978. The Social Affairs Committee warned you that this conference had not been properly prepared and was doomed to failure. And fail it did. The disappointment in the European trade union movement was so acute that you will have understood their hesitation in agreeing to attend another tripartite conference. That was why the Commission was urged to propose a new procedure to ensure that account could be taken of the presence of the trade unions at the Tripartite Conference. We are aware of the fact that you have made an effort to achieve this and have proposed this new procedure, which, I hope, will create new confidence in the usefulness of European Tripartite Conferences. It is absolutely essential that the social partners should be able to meet the governments at European level on an equal footing and under the Commission's auspices.

The role played by the Council in the Tripartite Conference is not satisfactory. National ministers come to the Tripartite Conference in order to put their national points of view. The President of the Council is present but can only make one or two announcements at the end of the Conference.

The Commission is not, however, at present responsible for making sure the Conferences are a success. I therefore fully agree with you that in future the initiative must lie with the Commission. It is an executive body and as such it must prepare the Tripartite Conferences.

I should like to associate myself with Mr van der Gun and Mr Albers in urging the Commission to take steps as quickly as possible to organize sectoral tripartite conferences to discuss problems arising in particular industries. I refer in particular to the steel, textile, footwear and shipbuilding industries. Sugar refining should also have its turn. All these industries are currently struggling to survive and it would be logical for the employers and unions in those industries to meet and investigate suitable measures with the Commission. The steel problem is the most obvious example of such a need. We therefore urge you to organize tripartite conferences for specific industries, not on a regular basis, but whenever there is an acute

## Bertrand

need for one, in order that the opinions of the three partners can officially be made known and shaped into a decision of some kind by the Commission.

On behalf of my group therefore, I fully support the motion for a resolution tabled by Mr Albers on behalf of the Committee on Social Affairs.

The second document you introduced relates to the distribution of work.

On this subject I am inclined to agree with Mr Dinesen. I regard the measures on the redistribution of work as short-term measures designed to prevent the worst. I cannot regard them as a lasting solution to the problem of unemployment. They are emergency measures proposed on a short-term basis in order to deal with the worst problems caused by rising unemployment.

A few days ago I read a study by economists forecasting that 15 million new jobs would have to be created in the Community by 1985 to absorb the supply of labour on the market. Of these 15 million 9 million would be young people looking for their first job. That is the situation which awaits us and you will therefore understand that while I approve of the measures you propose I regard them as no more than a short-term solution. They must be followed as soon as possible by a Commission proposal for a long-term employment policy. I shall be returning to this point presently.

You yourself, Commissioner have sensed a certain ambiguity. Our experience of the unions has taught us that the reduction of working hours is a problem that the social partners consider to fall within their ambit. If we observe the development of legislation in the various countries we note that the social partners agreed to reduce working hours from 48 to 45 hours, and then from 45 hours to 40 hours and that subsequently the legislature, when this had been established in a collective labour agreement between the social partners, made such hours mandatory even for sectors which had not been involved in the consultations. I refer in particular to the many small and medium-sized undertakings. That has always been the standard procedure so I do not quite see what chance you have at the moment of putting the various measures into order at Community level. One point on which I do fully agree with you, however, is that it is, at all events, necessary to prevent the existence of divergent measures on the reduction of working hours from causing a distortion of competition in the Community of which the workers would themselves ultimately be the victims. I can therefore accept that with your proposal to the Council on the reduction of working hours you want to get something from the Council. But you will not get a directive. You will not get a regulation either. What then, an opinion? Or do you expect the Council to take the initiative of laying down a procedure with the social partners with a view

to preventing any harmful effects arising from this measure? what kind of steps are you expecting the Council to take in respect of the reduction of working hours? A regulation, a directive or an opinion? It is important to know this if we are to be able to assess the decision the Council is to take. In some countries overtime is a common practice because wages are very low and workers need overtime to boost their incomes. A further point to bear in mind is that reducing working hours might lead to a fall in production. Fall in production, I said, not fall in productivity. Certain firms and sectors would then resort to overtime arrangements in order to offset this reduction in working hours and keep up production levels. This is an obvious problem, but what can the Council do about it? What do you expect from the Council? Should the Council come up with a directive or a regulation on this too? Herein lies the ambiguity of the proposals you have made. We must, however, be cautious and not play a game of cat-and-mouse, with the Commission making proposals and the Council being unable to take a decision. That would result in the Council refusing to do anything and we should then be in a real mix-up. We must proceed more cautiously because that would be highly detrimental and shake the workers' belief in the whole thing.

Then there is the matter of shift work. You say that 20 million workers are currently engaged in shift work, i.e. about 20 % of the Community's wage-earners. And you want to make this system more flexible so as to achieve a redistribution of work. You thus want to introduce a fifth shift in certain plants with continuous working.

The Commission also believes that early retirement is one possible solution, provided that it is on a voluntary basis at the request of the workers themselves. If I have understood your proposal correctly, you do not want to oblige workers of 60 years of age to stop work and go into retirement. This early retirement would therefore be a voluntary arrangement. I have my doubts, however, as to whether it is possible to achieve any results in this way, except perhaps in plants in which insalubrious and strenuous work is carried out.

Finally, there is the question of the voluntary extension of part-time work, which might be an interesting arrangement in industries and firms employing large numbers of women. Here too, however, I am rather sceptical. The point is that you have to be careful to avoid any discrimination against women in the way part-time work is organized as this might have very serious consequences.

Then there is the matter of temporary work, i.e. partial unemployment. That is another of your proposals. You then also mention, of course, the extension of vocational training, i.e. raising the school-leaving age, and in-service training and training during working hours, which would also lead to extra workers being taken on.

**Bertrand**

Those, then, are the five main proposals which you put before the Council and which are not entirely unambiguous. I would therefore ask you to state clearly what you are in fact expecting from the Council, what the Council can do and how you envisage the role of the social partners in all this.

To be frank with you, I would much prefer it if these five points were submitted to the Tripartite Conference and if the social partners from the nine Member States were to reach agreement at that conference on the ways and means of implementing these five proposals on the basis of an outline agreement reached between the social partners with the participation of the governments. I think we should then have a clearer picture and I suggest that a solution be sought along those lines.

The third and final document concerns special new social measures to back up restructuring in the steel industry. The proposals made by the Commission are as follows. Firstly, early retirement, which would give workers threatened with redundancy the opportunity of continuing to receive a certain income for the rest of their lives; secondly, partial unemployment or reduction of the working week; thirdly, introduction of a fourth or fifth shift which might lead to a better distribution of work in the steel industry, and fourthly, reduction of overtime in the steel industry.

Those are the four social measures you have put before the Council to back up the restructuring of the steel industry. For this purpose you ask for extra appropriations in addition to those which may normally be granted under Article 56 of the EEC Treaty. You yourself said that of the 80 million units of account you had asked for the Council has granted only 28 million. Now you are proposing a further amount of 142 u. a., 70 million of which would be used for interventions of a new type for which there is no provision in Article 56. You say that you hope with these funds to be able to keep 80 000 workers at work a little longer in the steel industry and protect them from immediate redundancy. Those are the terms of the proposal as presented to the Council.

Until I have made contact with our friends in the trade unions and with experts in industry it is difficult for me to pronounce on the value of these four measures or on the prospects for carrying them out in the context of present restructuring in the steel industry. So I hope that after the meeting of 15 May we shall get the opportunity of reopening this debate before the new Parliament holds its first meeting because this is a matter of the utmost importance for public opinion. As far as I am concerned that debate could be held after 10 June. I do not wish to make a vote-catching issue of this or utter a few fine phrases just for the sake of the elections. What I am concerned about is finding an effective solution to the problem.

Articles 54 and 56 of the EEC Treaty provided an excellent social solution for the miners made redundant through pit closures. But that was during an economic boom when there was a shortage on the labour market and these workers were easily absorbed by other sectors because there was a big demand for labour. Now, however, there is a threat of redundancies as a consequence of the restructuring of the steel industry in these times of recession, crisis and 6 million unemployed. The supply of available labour is so vast that I really do not see how at the present time the surplus can be absorbed. That explains my cautious attitude. Do not let us make exaggerated promises or arouse too much hope among the people who are directly threatened. Let us instead stress that we take their problems seriously and that we are seeking the most suitable, socially responsible solution for them. That is the approach the Christian Democrats recommend.

You will remember that during the discussion of the motion for a resolution in connection with the difficulties in northern France I personally proposed that all redundancies should be suspended until an agreement was reached. That proposal was not accepted. We have now seen the scenes which have occurred in northern France. I hope there will be no repetition of this, Mr President. Consequently I urge you to adopt an effective, vigorous approach but to be suitably cautious so as not to arouse vain hopes amongst people who are already suffering great hardship.

**President.** — Mr Bertrand, I shall be happy to take up your suggestion concerning a further part-session after the Council meeting. The Bureau will in any case have to discuss the question of another part-session of Parliament on Thursday for a different reason.

I call Mr Pistillo to speak on behalf of the Communists and Allies Group.

**Mr Pistillo.** — (*I*) Mr President, colleagues, I think it is significant that the European Parliament, now in the last stages before its renewal through direct election, is once again turning its attention to the employment problem which is the subject of two reports by Mr Albers, the Van der Gun document and the oral questions which will probably be discussed tomorrow. I agree with Mr Bertrand's comment and I think that in a sense today's debate sums up the whole question; I cannot see that anything will remain to be said tomorrow on the two questions. However, it is clear from all this that even now, as we are preparing for the election of the new Parliament, unemployment is still one of the Community's major problems.

The six million unemployed referred to earlier reflect such a dramatic and glaring situation that the electors in the nine EEC countries will inevitably give some

## Pistillo

thought to it, ask us what we think and what we intend to do about it. If I have understood correctly, Mr Bertrand spoke of a study by some economists predicting that 15 million new jobs will be created by 1985. I hope that this will indeed be so because there are other economists in Italy who predict that we will not achieve full employment. Furthermore, the growth rate which was expected to rise to 4.5 % has, according to the information available, only reached 2.5-3 %. I am very wary of certain economic reports and forecasts, partly because, despite the fact that we were told there would be full employment by 1980, it is now quite clear that this will not be so; full employment was also forecast for 1985, but again, as Commissioner Vredeling clearly indicated today after his statement to the Committee on Social Affairs, full employment will not be achieved by 1985.

The situation is therefore extremely difficult and extremely complex and in the light of this I should like to make a few brief comments on the report by Mr Albers on the conclusions to be drawn from the Tripartite Conference of 9 November 1978. We disagree with some of the views expressed in this report. I can understand Mr Albers' caution and the points he has made concerning the European Community's present position, its responsibilities and its powers. However, I feel it is going too far to say: 'Notes that the European Community is not in a position to fight against unemployment on all fronts.' This is tantamount to abandoning our powers and saying that we can only take minor, piecemeal action to reduce the number of unemployed and cannot define a major Community programme. It is perfectly clear that we have reached the stage where action at Community level is absolutely essential, both through provision for the future and private and public investments — I purposely put private first in case anyone should think of accusing us of advocating a collectivist programme. We find it necessary to make these points today because we have been dealing with this problem for years now and every year we see how wrong the various forecasts have been.

Furthermore, Mr Albers, who is extremely aware of such matters, knows that specific provisions for social policy are laid down in Articles 117 and 118 of the Treaties of Rome and Article 117 refers to the need to improve living and working conditions. It is true that up to now, private initiative, the multinationals and — it must be said — the market and production chaos, have predominated. Mr Albers, in paragraph 13 you praise the liberal economic policy which has brought economic advantages to all trading partners. However, I feel that a distinction must be made: while it has indeed brought economic advantages to certain industrial sectors, it has not been of any benefit to the workers. In a situation where we have six million unemployed, what are the economic advantages and

who is benefiting from them? That is the whole point. I question therefore the wisdom of relying exclusively on a liberal economic policy, with all its manifest problems and contradictions, which has clearly shown that new measures are needed. We do not expect everything to be achieved in a day but we do insist on the need for new measures. The world was created in seven days and then God rested. It may well take years but let us at least decide on a programme of coordinated action. If we do not, the future Parliament will also spend a great deal of time on these problems without any practical results.

We reject Mr Albers' report, not because we disagree with the individual and sectoral proposals. We agree with these but we disagree with the general spirit of the report and the view that the Community's present powers do not allow it to take action to resolve the situation. To take that attitude is to acknowledge the failure of all Community measures in a key sector which is of major importance to the lives of our peoples and our workers. I think that instead of considering the situation a failure we should assess the difficulties and at the same time see what can be done to resolve them.

As regards the document on the Commission's new proposals for improving the organization of the Tripartite Conferences, we approve both Mr Albers' report and the Commission's proposals. We consider that these proposals are in line with the ideas and proposals put forward on several occasions by the Committee on Social Affairs and by Parliament as a whole. In particular, we feel that they take account of the points made by the European Trade Union Confederation after the failure of the last Tripartite Conference; in our view, this should lead to more practical and careful preparation for the Tripartite Conferences and we think that the points concerning collaboration and agreement between the Council, the Commission and Parliament, the trade unions and business interests, should be strictly complied with so that practical proposals can be put forward at the Tripartite Conferences and the participants do not come away empty-handed as on previous occasions, with everything just as it was before.

Mr President, colleagues, we will unhesitatingly vote in favour of the report on the organization of the Tripartite Conferences; we intend to abstain on the vote on the other report and ask the Commission, as Mr Bertrand has already done, to take a new approach to the whole issue. In view of the way the economies of the EEC countries are developing and of the continuing world economic crisis, if we go on as we have done up to now the unemployment problem will undoubtedly get worse and we will only have ourselves to blame for the plight in which we find ourselves.

IN THE CHAIR : Mr Deschamps

*Vice-President*

**President.** — I call Mr Christensen.

**Mr Christensen.** — (DK) Mr President, I think there is a contradiction between paragraph 1 of the motion for a resolution, which states that it is not possible to fight against unemployment on all fronts with the powers assigned to the European Community, and the rest of the motion for a resolution. Although it is quite correct to assert this, there are no limits to what can be done for migrant workers and transfrontier commuters, women, young people and handicapped persons, all areas in which the European Community organs must take action. As regards the powers to do so, I refer you to Articles 117 and 118 of the EEC Treaty, particularly the penultimate paragraph of Article 118 which states that the Commission shall deliver opinions and arrange consultations both on problems arising at national level and on those concerned with international organizations. In other words, the topics that the motion for a resolution later calls on the Commission to submit proposals on are not provided for in what I have just read out, which contains the main provisions as regards the Commission's powers in this area.

Next, I would like to comment on paragraphs 3, 7, 10, 12 and 16 (a) of the motion for a resolution. Paragraph 3 mentions binding Community criteria for national policies. Paragraph 7 states that the Commission should take measures as regards vocational training and retraining of workers. Paragraph 10 states that structural overtime should be abolished by means of uniform Community arrangements and that action should be taken on the question of minimum wages. Paragraph 12 advocates an investment control policy to be implemented by the Member States and the Community institutions. Paragraph 16 (a) advocates extension of the powers of the Economic and Social Committee.

It seems to me that we are going beyond the provisions of Article 118 of the Treaty which I have just read out. But not only are we exceeding the provisions of the Treaty and intervening in national affairs, we are also meddling in matters that should be the subject of free and responsible negotiation between workers and employees in which neither the state nor the European Community institutions, should, in my view get involved to any appreciable extent. The crucial thing is that most Community countries, including Denmark, are pursuing an economic policy that leads to mass unemployment and it is that policy the national governments should change, preferably in consultation with the other Member States of the European Community. It therefore seems to me to be

merely affectation to put forward these fine proposals about matters that we know perfectly well the European Community institutions neither have the right under the Treaty or the power to implement. Realization of the fact that internal economic policy is the crucial factor, would have rendered proposals such as this superfluous. But perhaps the intention is to conceal the fact that the Community is conducting a policy whose consequences can be seen from the unemployment statistics in the Member States. In conclusion, Mr President, I reject the motion for a resolution contained in Mr Albers' report.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — I must say, Mr President, that I regard it as very extraordinary that because of some procedural nonsense an entire report on equal pay somehow seems not to have been worthy of discussion by any single Member of this Chamber or by any Member of the Commission, and I have no doubt that this is actually a practical demonstration of the nonsense that is frequently talked in this Chamber about the commitment of the Community to equal treatment or to protecting the interests of workers in the Community, because, frankly, what is it that we are talking about?

Even when we talk about the Tripartite Conference, we are talking about a meeting that was plainly acknowledged by everybody to be a minor disaster. It is all very well for members of various parties to get up and say they cannot accept any of the resolutions because the Community has no right of interference: what is proposed in these reports is direct interference and some of it such unrealistic rubbish that one is astonished that it actually got into print. Apart from anything else, if we are seriously going to suggest that a reduction in hours without a reduction in payment should be negotiated with consultation at Community level — which is what is included in this report — then, frankly, you are going to set up a bureaucratic machine of such vast and absolutely ridiculous size that it would be absolutely unworkable. Let us look at what is said in the two reports. I would like to refer to the report on the conclusions to be drawn from the Tripartite Conference, because the resolution appears to say that the Commission has accepted the ideas contained in this report. Now if that is so, let us look at it. It has got the ritual dance, the ritual gesture in the direction of women; it says that you must do something for those women who are working in part-time employment and you should do everything that you can to do away with any discrimination against them. It also makes some comments about the migrant worker, but what in fact is contained in the report itself in the section on migrant workers? That says:



## Dunwoody

In addition, purchasing-power must be improved and new jobs created in the migrant workers' own countries by means of a purposive financing and investment policy

— that from a Community that has not managed to raise its level of investment in third countries to 1 % of its gross national product —

so that, on the one hand, the flow of migrant workers may be stemmed and, on the other, present migrant workers can return home.

Now that is a vast attempt to interfere in the internal policies of the Community countries.

We go on to say, of course, that we are going to have equal treatment in the work-place and on the employment market, equal pay and social insurance rights, and are going to support the handicapped and the young, but what do we then see later in the report when we are talking about economic measures to promote employment? We are suggesting that there should be development of the public services sector. Well, I can tell you as a Socialist that I should be quite happy to see that, but there are many people, including the new government in Britain, that will regard that as the very antithesis of everything they are trying to do.

It says that we should improve the quality of life by improving public assistance services. I do not know what public assistance services are, but if we are talking about social security I can tell the Commissioner he is going to have a certain amount of difficulty with some of the Member States on that as well.

What we then say is that protectionist measures must be judged specifically against the Community's rules on competition: not in the interests of the unemployed, not to deal with the workers in the Community who are already without a job, but to make sure there is no distortion of competition between one capitalist country and another! Well, if that is the basis on which your employment programmes are actually going to be pushed forward, then they will be totally unacceptable not only to the trade-union movements but more certainly to any enlightened employer anywhere in the Community, because that, frankly, is absolute nonsense. You cannot have a reduction in working hours, which, you say, will be central to annual wage negotiations and consultations at Community level, unless you are going to tell the people concerned where the money is going to come from. One reason why the unions were so disgusted with the Tripartite Conference was that when they were prepared to talk very seriously about a reduction in the working week, or an expansion of the week's holidays, there was never any serious assessment of what this was going to cost or how it could be dealt with without damaging the interests of the workers concerned. If you are talking about rejigging shift patterns, doing away with overtime on an absolutely

compulsory basis, you have a moral responsibility to tell everybody concerned where the money is going to come from. It is really not good enough to take upon yourself powers which, it seems, you have a very doubtful right to exercise without at least making some effort to assess what it is going to cost the Community and the workers concerned, and that effort is totally lacking in both of these documents.

I believe that when you next have a Tripartite Conference you are going to have to do more than say that purchasing-power must be improved and new jobs created. What do you think temporary employment subsidies are doing if not protecting jobs temporarily? No government expects to have to put large sectors of its work-force onto the street simply because the Community doesn't want to have its rules of competition distorted. There has been no really constructive suggestion from the Community either in the sectoral field or in the employment field. Indeed, the only thing that happened when there were vast numbers of unemployed in Britain was that the Commissioner concerned did his damndest to do away with the state aid that was protecting the jobs concerned, even though that would have meant something like 80 000 people put back onto the street, and it was only because of the representations of the Labour Government of the time that he did not carry it out and carry it out immediately. That is the attitude of the Community towards its work-forces. It is prepared to put forward a whole lot of meaningless and absolutely ill-thought-out suggestions, but it is not prepared to assist either the ETUC or the Employer's Associations in looking for a practical way of implementing some of the suggestions they have put forward in order to protect employment.

The Community has got one thing that it carries almost to its extreme. It believes in saying that we should have a Community policy and it believes in doing absolutely nothing to carry it out. If we were talking about agriculture today, every one of these seats would be occupied. If we were talking about structural aid to the agricultural industry there would be representatives of every single party here. If we were voting a supplementary budget in order to give money to farmers to maintain a standard of living which is not in anybody's interests, then there would be every single Member of this Parliament here voting in support of it. When we are talking about equal pay, about support for the handicapped, about funding a reduction in the working week, then all we have are a series of clichés of monumental superficiality. It is a shame that we can actually have this sort of document brought before us, and I will go down arguing strongly that this Community has absolutely no intention to do anything constructive about unemployment, because it finds it easier to produce documents like these that simply say it would be very nice if we could do something about it but of course we can't.

**Dunwoody**

I hope that the Commissioner, when he comes to reply, will surprise us by saying that before he calls another Tripartite Conference he will seriously consider where he thinks he can support both the employers and the trade unions and what he intends to do that can be demonstrated to the ordinary people of Europe as really caring about them, because so far at no point has the Community done any such thing.

**President.** — I call Mr Jakobsen.

**Mr Jakobsen.** — *(DK)* Mr President, now that we are on the eve of direct elections, I think there is reason to draw attention to the contradictory things that are being said about the Community in connection with unemployment. We supporters of the Community have an easy job; we do not have to contradict its opponents, they do that very well themselves. One minute they tell us that the Community is powerless against unemployment, that the Community has not been able to do anything and the next minute they say that the Community should try to intervene in national affairs. For goodness sake! How can the Community do anything when it cannot intervene in national affairs. That is downright contradictory: anyone can see that the Community cannot and will not do anything; it is the individual countries that have to do something.

Having said that, I have much to criticize in these documents, not those who have prepared them or their intentions, but because no-one should think that we can change the employment situation by talking in this Parliament or in our own parliaments. Nor will documents or action by the Commission, no matter how appropriate, change anything.

I think it is time we became realistic and admitted that if we talk of unemployment as a departure from full employment, then we must admit that we will always have unemployment. We will never have full employment again if by full employment we mean there should be 40 hours' work a week for everyone. It will never happen again because there is no need for it. Experts in the USA envisage a 15 hour industrial working week in the year 2000 and we would be wise to listen to them. I did say industry, I did not say in service areas, public or private; the situation is so bad in all countries that everyone is shocked. Where are all the clever postmen, where are all the clever railwaymen, where are all who should be helping the sick and so on? Where are the people who should be delivering goods? In my country there aren't any, there people have to collect their own goods. The services provided in our countries are very poor, but people cannot find full employment in industry.

I think in this situation it is impossible for the Commission or for Parliament to tell the governments what they should do. But we could start by taking a realistic look at the situation and we will see that no-one is trying out experiments.<sup>1)</sup>

To give one example from my own country: a trade union, and a Communist-led one at that, which is not so common in Denmark as it is in Great Britain, has proposed working four days and being paid for it but claiming assistance on the fifth day. The employer will not have to pay more; he will merely pay for the hours worked and the state will pay assistance. When some people stayed at home on the fifth day a few hundred colleagues would go to work instead and so the state would be able to save on assistance.

It is admittedly a small practical thing but the question is whether we should not try it. If we maintain that the employer should pay just as much for a 35-hour week as he now pays for 40, then at least in a country like Denmark with its typical small undertakings, even more firms will decline and then there will be no exports and no employment. But we could arrange it so that the employer paid for what he got and the state allocated assistance in a different way. For instance: instead of allowing 10% of the labour force to be unemployed the whole year, why not let the whole labour force be unemployed one-tenth of the year, i.e. reduce the number of hours by 10% which would be paid for by the state and not by the employer.

I admit that a lot more thought needs to be put into it, in fact I warn against attacking the Commissioner or those who have prepared these reports so fiercely for they are after all a sign that some people are taking the problem seriously, as we should do in this Parliament. But let us start by realistically admitting that there is no easy way; it cannot be done by speeches or documents; we need to be very realistic before we can even start.

**President.** — I call Mr Vredeling.

**Mr Vredeling.** *Vice-President of the Commission.* — *(NL)* Mr President, I should like to make a few brief remarks in reply to the serious questions that have been put. Mr Bertrand referred to the parallel that was necessary between what we have proposed for the Tripartite Conference and sectoral consultation. That is quite right, but actually we already have, as regards sectoral consultation, a situation which you want to see develop in respect of the big Tripartite Conference. The Commission can itself take the initiative and monitor progress. Sectoral consultation is not in

## Vredeling

the Council's power, but the Tripartite Conference is. The chairmanship of the Conference is, as you know, held by the Council. The only difficulty is securing agreement between the employers' organizations, which are autonomous, and the workers, who are also autonomous. These must agree. The steel industry is an extremely good example. In that industry, employers' and workers' organizations have cooperated successfully from time immemorial. In the Consultative Committee cooperation is an established thing. The same applies to the footwear industry, where, with the approval of both sides, we have set up a similar committee. Discussions are in progress in other sectors. In agriculture and fisheries we have had cooperation for a long time now, while in other sectors, such as shipbuilding and textiles, *ad hoc* talks are being held. I hope, with you, that these talks will lead to the establishment of a Joint Committee.

You used the term ambiguity. In Dutch we talk about being 'in two minds'. On the one hand there are the social partners and on the other there are regulations of a legislative nature. We have not yet come up with any very concrete proposals of a legislative nature. The reason for that is that we wish first to hold discussions at Council level and then in the Standing Committee on Employment, which in fact comprises the same parties as the Tripartite Conference, albeit in rather less spectacular form. I am informed that the trade union movement in particular would like to raise the status of the Standing Committee on Employment to that of a genuine Community organ in which a consultative structure could be set up in a less ostentatious, less noisy fashion and with less television coverage than at Tripartite Conferences.

That is precisely our objective. An example of something that might be the subject of legislation is the regulation of overtime. In almost every country, including your country, Mr Bertrand, the regulation of overtime has been the subject of legislation. It is a matter which lends itself to legislation.

There are other things which lend themselves less to it, such as holidays. I do not mean a minimum holiday period, but the possible extension of holidays. That is a typical example of a matter for collective consultation and agreement and there can be no question of legislation in that area.

Another subject on which I have no set opinion but would like to stimulate discussion is early retirement, or flexible retirement, as we call it. That too might be the subject of legislation. In Germany early retirement is possible at the age of 63, the normal pensionable age being higher. So this is a subject which might well lend itself to regulation at institutional level.

There are a number of other things that might be mentioned, but we would very much like to have a

discussion on this in the Council to find out what the Council thinks of guidelines, general rules which have to be converted into national legislation in the Member States according to national circumstances. The Council has already stated its position on this at an informal meeting of the Ministers of Social Affairs and Labour. They raised this point themselves. It was also mentioned in the President's conclusions. Use should be made of the instrument of outline directives — as the President called it — in various fields including the redistribution of labour.

By ambiguity you probably mean being in two minds. In this context ambiguity is a very negative term in the northern country from which I come. To be in two minds is a better expression because the problem is to decide whether to deal with the matter by legislation or by consultation between the social partners. You are absolutely right to note that the document contained no final opinion. I have indicated a number of examples of the things that the Commission has in mind but we should first like to hear the social partners. I think they ought also to make their wishes known as regards legislation. As you know, the trade union movement has long been asking for legislation on the occupational protection of workers and we should very much like to hear them expressing their views on this subject at European level. I have noted a growing desire in the trade union movement to have consultations at European level with the organization of European employers. I hope that the European employers organizations have understood this. Such opportunities can also be frittered away. It seems to me to be in the interests of both parties for such consultation to be arranged, so I think that a special point can be made of this. I am extremely curious to see what the European Trade Union Congress will come up with on this subject next week in Munich. The Commission will be very attentive to what is said there. The President of the Commission will himself be addressing this conference. I believe, therefore, that the present situation does offer positive prospects in certain areas, including the establishment of outline agreements between the social partners, which are absolutely essential. In that respect I fully agree with Mr Bertrand, who said that no matter what you plan to do, if you do not have the agreement of the social partners — and the trade union movement is of crucial importance here — then you might as well forget about it. That is very true; that has been the experience of the Member States in cases when the trade unions have not wanted to cooperate. Fortunately, in all our countries we have constructive unions which do cooperate. But in cases when they do not do so the situation usually degenerates into chaos, as it did last winter, for example, in one of our member countries.

I am sorry that Mrs Dunwoody has now gone. She used some very harsh words. She said that all of what

## Vredeling

we, Mr Albers and I were doing here was absolute nonsense. Absolute nonsense, she said. Well, I shall treat that in the manner it deserves, Mr President. I shall not dwell on the matter, although if it had been said by a genuinely politically responsible person I would have thumped the table a little harder, I think. However, I shall treat that in the manner it deserves, Mr President.

Mr Albers said that part-time work could be organized on a voluntary basis, and also through certain regulations. It must be possible, however, for these to be coordinated in some way. I am thinking, for example, of the performance of part-time work and the right to social benefits. There are certain gaps in the old social legislation. We must bear this in mind when we want to encourage part-time work and take care not to give women a twofold task with work both in the home and outside, but instead try to bring about a more equitable distribution between husband and wife of the burdens of gainful employment and domestic work.

A Commissioner never concerns himself directly with motions for resolutions. But I want to try to be objective. I think that Mr Pistillo and Mr Christensen — *les extrêmes se touchent* — were both right to say that paragraph 1 of Mr Albers resolution is rather strange. I would remind you — and I have the right to say what I think inasmuch as, after all, as Commissioner I defend the interests of the Community — that paragraph 1 states: 'notes that, in view of the powers assigned to it, the European Community is not in a position to fight against unemployment on all fronts'.

Well, Mr President, if that is the case then we can all go home! I should have an easy task, whatever you were to say. If Parliament adopts this and then criticizes me at some later date for not doing enough then I shall say: you yourself said that I have no powers so how can you criticize me? I am batting on an easy wicket! I am sure, however, that Mr Albers does not mean this and he quite rightly has no intention of giving me an easy wicket to bat on. But you might interpret it in that way, as Mr Pistillo and Mr Christensen have pointed out. There is, of course, some truth in the statement but I do not think that that was Mr Albers' meaning. I personally think that the Community has all the powers it needs in the unemployment field. I call to mind the words of Mr Albers' own party leader for the European elections, a certain Mr Vondeling, who has rightly argued that everything that is not forbidden by the Treaties is permissible. There is nothing in the Treaties forbidding the pursuit of a European employment policy. Consequently, there is no reason why we should not pursue one!

**President.** — I call Mr Albers.

**Mr Albers, rapporteur.** — (NL) Mr President, I should like to say a few words in connection with the Commissioner's reply and the comments that have been made by other members.

Mr Vredeling said he was thankful that he had succeeded in getting the Commission's decisions through before the European elections. This gives me an opportunity of congratulating him on behalf of the Committee on Social Affairs but also on behalf of others here in this Assembly because I think it is a matter of the utmost importance that this question can now be further dealt with in the Council. However, towards the end of my statement I asked the Commissioner what chance he thought there was of the Council approving these proposals and I have received no answer to that question. However I realize that it is difficult to give a definite answer to that one. I am very grateful to the Commissioner for reacting positively to our observation that the European Parliament must henceforth be consulted when preparations for the Tripartite Conference are of lengthy duration. I consider it extremely important that Parliament should be able to take part in what is being done whenever it wishes to do so.

I should like to add one remark in a personal capacity. The document we are discussing has only just reached us and I had to write the report and draw up the resolution at great speed, but on re-reading it one question occurs to me.

In their comments on the Tripartite Conference the trade unions requested that a press conference should be organized, after the conference, on the resolution adopted — possibly with comments by the parties concerned. Now it is our experience that at press conferences these resolutions, though drawn up in good faith, are often interpreted differently by those taking part in the conference. Consequently, it might be very useful to make at least part of the Tripartite Conference public to allow the press to gain their own impressions of the speeches made. I think that that might be an excellent way of avoiding misunderstandings.

I should now like to comment briefly on Mr Bertrand's remarks about these five points.

According to the procedure applicable at present it is not for the Commission to make proposals to the social partners; it is the Council which decides which subjects are to be discussed. The Commission is thus dependent on the Council. That point has to be made in defence of the Commission.

Turning finally to paragraph 1, which has given rise to a misunderstanding and in which I state explicitly that it is not possible for the Community to fight against unemployment on all fronts, I think my five

## Albers

years' experience as a Member of the European Parliament entitle me to say this. Practice has shown that the hundreds, nay thousands of utterances made here, the answer given by the Commission and the pronouncements by the Council and the European Council on the fight against unemployment have so far had little effect. That is why I begin my report by stating unequivocally that we should not cherish over-optimistic expectations or hope for things that are not possible. However, in the subsequent paragraphs I then give a long list of the many possibilities which the Treaty and the Social Fund Regulation offer, and I advocate, on behalf of Parliament, that those possibilities be used. The resolution as a whole can therefore by no means be regarded as detracting from the powers available to the European institutions.

**President.** — I have received from Mr Van der Gun on behalf of the Committee on Social Affairs, Employment and Education, in conclusion of the debate on the oral question (Doc. 141/79), a motion for a resolution with request for a vote without referral to committee, pursuant to Rule 47(5) of the Rules of Procedure. The vote on this request for a vote without referral to committee will take place at the start of tomorrow's sitting.

The motions for resolutions contained in the Albers reports will be put to the vote — as they stand — tomorrow at voting time.

The debate is closed.

17. *Agenda*

**President.** — Mr Lange, chairman of the Committee on Budgets, has informed me that at its meeting of 7 May 1979 it had decided that it would be unable to submit for the present part-session the report on the budgetary discharge for 1977 which was scheduled for the sitting of Thursday, 10 May.

This item is therefore withdrawn from the agenda.

18. *Urgent debate*

**President.** — I have received from Mr Glinne, on behalf of the Socialist Group, a motion for a resolution (Doc. 168/79) with request for urgent debate, pursuant to Rule 14 of the Rules of Procedure, on the trial of Mr J. Sabata.

The reasons supporting this request for urgent debate are contained in the document itself.

The vote on this request will take place at the start of tomorrow's sitting.

19. *European Centre in Berlin*

**President.** — The next item is the report (Doc. 90/79) drawn up by Mr Bertrand on behalf of the Committee on Social Affairs, Employment and Education on

the results obtained to date by, and the future work of, the European Centre for the Development of Vocational Training in Berlin.

I call Mr Bertrand.

**Mr Bertrand, rapporteur.** — (NL) Mr President, the motion for a resolution and report on the Centre for the Development of Vocational Training were drawn up by the Committee on Social Affairs on its own initiative but also at the express request of the Management Board of the Centre itself. The reason for this was that, owing to certain circumstances which I shall not go into today, the starting-up of this Centre was delayed for some time and this gave rise to certain misinterpretations and also a number of budgetary difficulties. The decision to set up the Centre was taken by the Council on 10 February 1975 and the seat of the Centre was fixed in Berlin. There can be no questioning the fact that the Berlin authorities made every possible effort to facilitate the accommodation and organization of the Centre and to enable it to carry out its function. It is nonetheless true that the Centre's seat is on the periphery of the Community and thus easily escapes the attention of Parliament and the other institutions. At the time we in the Social Affairs Committee asked to be allowed to make a visit to the Centre but the Bureau of Parliament, in its superior wisdom, did not see fit to authorize such a visit and as a result we did not find out earlier enough about the causes of the delay. This, in my view, is chiefly attributable to the fact that the Centre is situated on the Community's external frontier and enjoys considerable independence as regards decision-making and financing. The Management Board is a joint body composed of 27 members, including 9 workers' representatives, 9 employers' representatives and 9 representatives of Member States' governments. The Centre is thus run by a kind of tripartite body. The composition of the directorate is based on the same principle. The Director-General of the Centre is a representative of the workers, one deputy Director-General is a representative of the employers and the other deputy Director-General is a representative of the governments; in addition there is a Commission representative. This body administers the Centre. We therefore considered it was necessary to draw attention to the possibilities which the Centre offered in the present crisis situation affecting the Community and to the fact that it is repeatedly being stressed that there are a number of available jobs on the labour market but no qualified workers to take them owing to inadequate vocational training facilities.

**Bertrand**

Situations of this kind lead us to ask what role this vocational training centre might play in the future. Hence paragraph 4 of our motion for a resolution in which we urge the Director of the Centre to channel its activities as far as possible towards work that is of practical value in the present social and economic situation. I wish to draw attention to this so that the Commission will draw the necessary concrete conclusions and come up with appropriate proposals. At present the Centre has 7 fields of activity in preparation. It has set up a working party which is studying the problem of youth unemployment and vocational training. Another problem currently being studied by the Centre and on which a number of working parties have been set up is vocational training aimed at providing women with better career opportunities. This too is an important matter, given the fact that half of the 6 million unemployed are women and 2 million are young people under the age of 25. These two issues seem to me of such importance that Parliament must pay the utmost attention to the efficient operation of the Centre. A further area of study is the vocational training of immigrant workers. I do not need to underline the importance of this. Fourthly, there is in-service training. Fifthly, a comparative study is being made of the national vocational training systems. Finally there is a working party making a study of the effects of technical development on vocational training. In other words, this Centre is not a research institute; it is concerned with the practical results emerging from specific studies. That is why in paragraph 5 we urge that there should be closer coordination between the various departments of the Commission and the Centre itself. The Commission is currently drawing up plans, it has a department which is working on this subject and at the same time there is a centre, financed by the Community, investigating the same problem. Contacts between the two have not been institutionalized and their efforts are not being coordinated. In addition there are a number of international organizations in which these problems are also being studied, and we therefore urge that the Centre should work in close consultation and in close cooperation with the relevant Commission departments.

We recently held a debate on the proposals on the redistribution of work, in which reference was made to in-service training and extended schooling as one of the proposals submitted to the Council as a means of redistributing work. Well, I think the Centre must be equipped for this, i.e., for the drafting of concrete, practical conclusions. Finally, there is a request that seems a little strange in a resolution, that we should ask the Committee on Social Affairs set up after the forthcoming direct elections to keep under close review developments at the Centre and at the Foundation for the Improvement of Living and Working

Conditions in Dublin. You are of course aware of the fact that the Centre for the Development of Vocational Training and the Foundation for the Improvement of Living and Working Conditions in Dublin have been established at the two extreme points of the Community and that it is absolutely essential for the new Committee on Social Affairs to pay more attention to the operation of these bodies to ensure that they really fulfil the objectives assigned to them. I would therefore urge Parliament to approve this motion for a resolution. By doing so, it will be giving real support and encouragement to the work of the Centre for the Development of Vocational Training in Berlin.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — Mr President, fortunately I can be very brief in commenting on what Mr Bertrand said and on the contents of his report because I am in entire agreement. There is no point in repeating what he has said.

You have cut the grass from under my feet, Mr Bertrand. In the notes I have before me in preparation for this debate I say exactly the same things as you about the Berlin Institute. So I can skip over that point.

I would, however, like to make one comment about the motion for a resolution, paragraph 2 of which reads as follows: 'Notes further that the seat chosen by the Council of Ministers — Berlin — and the size of the Management Board contributed to the delay.'

I should be grateful if Parliament, if that is at all possible, were not to accept the wording of that sentence as it stands. I do not think that the size of the Management Board itself contributed to the delay in the starting-up of the Centre. It is true that the Management Board has a four-tier structure, as described by Mr Bertrand: governments, employers, workers and three Commission representatives. But if you want to have links with the various Member States there is no getting round the need to have representatives of those States on the Management Board of the institute. A similar set-up was opted for at the Dublin Institute.

As for the fixing of the seat in Berlin, I do not think that this was altogether a good idea and at the time there were, I believe, objections from the Soviet Union. Mr Bertrand will never accept that, I know him too well for that but I think it gives the wrong picture of the matter if you put it like that. I do not believe that the choice of the seat has itself influenced the operation of the Centre. Even if the seat had been in Luxembourg, Paris or Amsterdam, there would have been the same starting-up difficulties. I agree with Mr Bertrand, however, that the Berlin authorities were extremely cooperative. Moreover, many of the

## Vredeling

drawbacks, slight in themselves, arising from the remoteness of the Centre are more than made up for by the facilities provided and the cooperative attitude shown by the municipal authorities in Berlin. This, Mr Bertrand, goes a long way to make up for the fact that the Centre is in such a remote location. Indeed, from the point of view of decentralization, which we are keen to achieve in each of the Member States so as to avoid concentrating everything in the same place, from that point of view I think it was a good idea to establish these two institutes in Dublin and Berlin.

I think I shall be repeating myself if I were again to underline the role and the importance of vocational training. Mr Bertrand has already adequately demonstrated this. I am sure Parliament realizes, from the amount of money being spent under the Social Fund, that we are doing everything possible in this area and that we fully share Mr Bertrand's views on the subject.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — *(D)* Mr President, ladies and gentlemen, I was not intending to speak until I heard Mr Vredeling's remarks. As a Member of the European Parliament from Berlin I did of course pay special attention to this passage, but I feel, in the light of the European Parliament's known attitude to Berlin, that no criticism of the siting of these institutions in Berlin can be read into it. I should have thought it far more likely — and I assume that Mr Bertrand will give us his view on the matter — that it refers to a difficulty which we in Berlin have to live with. Perhaps he meant that it is difficult to bring in staff to set up any body, office or other institution in Berlin, as many people, living hundreds of miles away from that city, have exaggerated ideas of the dangers or difficulties of living in Berlin. It is thus well known that, while it is not in general difficult to get staff to come to Berlin, it can in certain circumstances take a little longer. That is how I interpreted this passage in the resolution, and I should be glad if Mr Bertrand could confirm that I was right in doing so.

**President.** — I call Mr Bertrand.

**Mr Bertrand.** — *(NL)* Mr President, as paragraph 2 has given rise to varying interpretations and as I am always willing to adopt a conciliatory approach and find a compromise, I propose that paragraph 2 of the resolution be deleted. This would remove all the difficulties and any danger of misinterpretation. The rest of the resolution would still be perfectly clear.

I would therefore request you, Mr President, in case I am not present tomorrow, to announce that the rapporteur has himself asked for the deletion of paragraph 2.

**President.** — Mr Bertrand, Parliament takes note of the withdrawal of paragraph 2 of the motion for a resolution.

I note that there are no more requests to speak.

The motion for a resolution — thus modified — will be put to the vote tomorrow at voting time.

The debate is closed.

## 20. Discrimination in France against migrant women

**President.** — The next item is the oral question without debate. (Doc. 124/79) by Mrs Squarcialupi to the Commission :

Subject: Discrimination in France against immigrant women

Is the Commission aware that the French Government is practising serious discrimination against immigrant women, from both Community and non-Community countries, with regard to the special card which gives women who are pregnant or are accompanied by small children priority in queues in offices, etc.? Does the Commission not consider that this violates the principles laid down by the Treaty of Rome and other international agreements?

I call Mrs Squarcialupi.

**Mrs Squarcialupi.** — *(I)* Mr President, my question concerns a very small card which does not even involve taking money from the French treasury. However, it is an important card since, under French family law, it gives priority to women who are pregnant or are accompanied by small children so that they are spared long hours of waiting in offices, public transport ticket queues and shops, which would be particularly tiring for them in certain circumstances. The position is that this priority card is refused to some immigrant women unless their children are French nationals. The sad thing is that this discrimination started in 1940 at the time when many Jewish families were sent to concentration camps and foreign families were not allowed to move. The ban on granting priority cards to foreign women dates back to that time. The history of this discrimination is shameful and it is equally shameful that it still exists today.

In 1973 the French Ministry for Social Affairs asked for the ban to be lifted and in 1974 the local authorities were ordered to remove this discrimination. However, certain prefects refused to grant priority cards to immigrant women on the pretext that there were too many of them. Since the large number of immigrants is indicative of their usefulness to the country, it is hard to see why these people should be denied such a small privilege which, in any case, costs the Community nothing.

A few months ago when an Italian immigrant woman protested, the reason given was that her children were not French nationals.

**Squarcialupi**

Such discrimination is contrary to all humanitarian principles, and particularly to Articles 7 and 48 of the Treaty of Rome which prohibit any discrimination on the grounds of nationality. It also violates the regulations on the free movement of workers within the EEC which is a fundamental right of workers and their families and also entitles them to social and taxation benefits. The family should not be treated differently to the worker. Discrimination against women from non-member countries should also be prohibited.

Community regulations cannot be interpreted as referring only to working conditions and remuneration. They should go much further than that. I am therefore asking the Commission to ensure the removal of this particular discrimination against the first truly European citizens so that they will be able to have confidence in a Community which is preparing to take a first step towards the democratization process on 10 June.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission — (NL)** Mr President, the Commission has taken note of this case of alleged discrimination which has been raised by the Honourable Member. She refers to discrimination in France against immigrant women who are alleged to receive different treatment from French women, even as regards the granting of a national 'priority card'. I can inform the honourable Member that on 22 February of this year my departments drew the attention of the French authorities to this situation. I have so far received no reply from the French authorities concerned. I shall take the opportunity provided by this question to remind the French authorities of the letter I addressed to them on this case of alleged discrimination. Were the Commission to receive no answer, or no satisfactory answer, I would not rule out the possibility of a procedure being initiated against the French Government for infringement of the Treaty. One of the objectives of the action programme in favour of migrant workers and their families was to guarantee equal treatment in terms of living and working conditions to women from Member States and from third countries. The Commission will therefore remain vigilant where cases of discrimination, such as this one, are brought to its attention, in so far as they are at variance with the principles of Community law.

**President.** — This item is closed.

21. *Agenda*

**President.** — I call Mr Ripamonti on a point of order.

**Mr Ripamonti.** — (I) Mr President, I wish to inform the House that the Committee on Budgets whose meeting has just ended and was attended by the President of the European Parliament, has asked for the report on draft supplementary budget No 2 for the 1979 financial year to be postponed until tomorrow and taken preferably after consideration of the oral question with debate and before Mr Pintat's report on enlargement of the Community. It also asks that, in view of the close connection between the two subjects, the report on the draft estimates of the revenue and expenditure of the European Parliament for the financial year 1980 (Doc. 648/78) should also be placed on tomorrow's agenda.

**President.** — As this report stood on our agenda with the qualification 'possibly', I see no reason why I should not accord your request a favourable response and propose to Parliament that it be placed on the agenda for tomorrow, after the oral question on the protection of the waters of the Rhine.

Similarly, it appears logical that we should also consider your report on the draft provisional account of receipts and expenditure of the European Parliament for 1980 tomorrow.

Are there any objections?

That is agreed.

22. *Regulation amending the Financial Regulation of 21 December 1977*

**President.** — The next item is the report (Doc. 161/79) drawn up by Mr Shaw on behalf of the Committee on Budgets on

the proposal from the Commission to the Council for a regulation amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.

I call Mr Shaw.

**Mr Shaw, rapporteur.** — Mr President, my remarks on this report can be very brief, because the explanations for the proposed changes are set out with commendable clarity and succinctness by the Commission. Incidentally, I would point out that a document has been produced today as a result of the budget meeting last night, so that the document before us is PE 58.286/final.

Briefly, the proposal falls into two parts: the first tightens up a number of deadlines, set out in the Financial Regulation for the preparation and the transmission of accounts. It also gives one extra month to the Court of Auditors for the completion of its work under Article 83/1. The second part of the amendment is aimed at reducing the additional period for entering EAGGF Guarantee Section expenditure in



Shaw

the accounts. The Committee on Budgets deliberated on these amendments at its meeting last night, and agreed unanimously to endorse them. Now as rapporteur, I had to raise with the committee the issue of the opinion of the Court of Auditors which Parliament has not yet seen. I would emphasize that at all times we feel that, where it is relevant, we ought to have the opinion of the Court of Auditors, and I might add, incidentally, we do not regard it as acceptable that the opinion should only be sent to the Council.

In the present case, we took account of two facts, in spite of not having the opinion of the Court of Auditors. The first fact was that the amendments seemed to us to be intrinsically desirable — I think everyone in principle wants them. Secondly, the present Parliament is coming to the end of its term, and that means to say that if we do not pass these things this week, then the whole matter will have to be held over until autumn and possibly late autumn, and this was felt by all parties to be undesirable. So in the light of these circumstances, Mr President, the Committee on Budgets decided to approve the proposals in their entirety, subject to the proviso that recourse be had to the conciliation procedure — that is to say between Council and ourselves — should the Council come to a different conclusion on the proposals. Of course in view of the special nature of the Financial Regulation, the Council would normally open the conciliation procedure should there be a difference between the two partners in the Budgetary Authority with regard to amendments to this central piece of Community legislation.

That would give us an opportunity to review it, should some significant comment be made by the Court of Auditors.

So, finally, Mr President, I must add that in any event the Financial Regulation as a whole is due to be reviewed fully next year in accordance with the provisions of a three-year review which I wrote into the revision in 1977 under Article 107. And so with these words, Mr President, I can assure the House that this is something desirable. It tightens up the Financial Regulation in a significant way, and I commend it to the House for its adoption.

**President.** — I note that there are no more requests to speak.

The motion for a resolution will be put to the vote — as it stands — tomorrow at voting time.

The debate is closed.

### 23. Agenda for next day's sitting

**President.** — The next sitting will take place tomorrow, Wednesday, 9 May 1979, with the following agenda :

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

- Early vote on two motions for resolutions
- Vote on the request for urgent debate on two motions for resolutions
- Oral questions with debate to the Council and the Commission on employment policy
- Oral question with debate to the Council on the protection of the Rhine
- Ripamonti report on draft supplementary budget No 2 for 1979
- Ripamonti report on the draft estimates of Parliament for 1980
- Pintat report on enlargement of the Community
- Zagari report on human rights in Ethiopia
- Statement by the Commission on the Harrisburg accident
- Flämig report on cooperation with developing countries in the field of energy
- Flämig report on the JRC multiannual programme 1980-1983
- Brown report on electricity production
- Flämig report on the energy situation in the Community
- Schmidt report on the protection of the interests of members and others in sociétés anonymes
- Castle report on economic and trade relations between the EEC and New Zealand

3.00 p. m. :

- Question Time (questions to the Council and Foreign Ministers)

4.30 p. m. :

- Voting time

The sitting is closed.

*(The sitting was closed at 7.10 p. m.)*

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IN THE CHAIR : MR COLOMBO

*President*

*(The sitting was opened at 10.20 a.m.)*

**President.** — The sitting is open.

1. *Approval of minutes*

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

Since there are no objections, the minutes of proceedings are approved.

2. *Documents received*

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

- by Mr Shaw, on behalf of the Committee on Budgets, on the list of requests for the carry-over of appropriations from the 1978 to the 1979 financial year (non-automatic carry-overs) (Doc. 165/79);
- by Mr Notenboom, on behalf of the Committee on Budgets, on the proposal from the Commission to the Council for a regulation on the measures to be taken in the event of irregularities affecting the own resources referred to in the decision of 21 April 1970 and the organization of an information system for the Commission in this field (Doc. 167/79);
- by Mr Ripamonti, on behalf of the Committee on Budgets, on the draft estimates of revenue and expenditure of the European Parliament for the financial year 1980 (Doc. 176/79).

3. *Agenda*

**President.** — Since they are still under discussion in committee, the Ripamonti reports which are entered on the agenda for today's sitting after the oral question (Doc. 648/78) on the Rhine will be considered later in the day. The exact time will be decided later.

4. *Tribute to Aldo Moro*

**President.** — Ladies and gentlemen, a year ago in Strasbourg we were horrified to learn of the murder of Aldo Moro, slain in a moment of mindless and brutal terrorism after a long and terrible captivity.

The tragedy of that event has left such a mark on contemporary history, and so great is the significance of Aldo Moro as the symbol of the established order under attack, that we feel the desire, on this first anniversary of his death, to pay tribute to him and to his work on behalf of democracy in Italy and on behalf of the European Community.

But we must also take heed of the grim lesson to be learned from an event which, alas, is not alone of its kind.

The terrorist violence which struck down an innocent victim in Aldo Moro was an affront to every person who believes in human values, in peaceful coexistence in society and in the daily practice of the democratic ideal.

After cruelly holding to ransom the established order, the feelings of so many people and society as a whole, political terrorism chose as a victim one of the most eminent politicians in Italy. This was the horrifying and dramatic admission that such terrorism is impotent in its struggle to overthrow the free and democratic order.

## President

But the violent and destructive pattern of terrorism is still with us, and has since claimed other victims. Hardly a day passes in our countries without the continued challenge of international terrorism to our well-being, to civil liberties and to the state itself. As one who always sought to bring into the democratic arena the discussion of contemporary events, and in a typical expression of the democratic beliefs he held, Aldo Moro once said, when commenting on a violent demonstration :

The cause and nature of violence are all too often shrouded in mystery. But we know for certain that any kind of violence, when directed against the free system, is unthinkable and inadmissible. Whatever the cause it serves and whatever the ideal it upholds, these can and must be pursued within the law, by means which are sometimes slow and beset with difficulties but by which freedom and progress can flourish. Where there is freedom, nothing is impossible ; where there is violence and tyranny, all may be lost. The condemnation of violence, from whatever source and whatever its supposed credentials, must be strong and unequivocal. We expect and we can be sure that the wheels of democracy will move in a framework which must not be authoritarian, but strong and reliable. Where prevention and deterrence are needed, we expect to see set in motion the measures which, although of a democratic order, need not be any less effective.

Public and political opinion must be mobilized to reject any attack on democracy and uphold the freedom which is the ideal of our nation.

It is significant, of course, that this inadmissible violence is often directed against the political parties and the trade unions which, although inviolable like every other expression of civilized life, symbolize freedom as the supreme ideal, because it is in the parties and unions that social ideas and interests meet, merge and are established. Any attack on them is an attack on the whole system, of which these institutions are the tangible expression. If one is threatened, all the others, without distinction, are also threatened.

The Europe of the Community — whose peoples are represented by this Parliament — emerged as a result of the determined rejection of every form of oppression, tyranny or violence, be they the work of totalitarian régimes or terrorist groups which, rejecting the values of civilized life, resort to every means from intimidation to political violence, including brutal execution, to undermine freedom and civilized existence.

The direct elections in this Europe of democratic nations and peoples will provide the ultimate proof that we are a community of free men and women who have chosen the way of democracy in preference to violence and oppression. We call on Europe to do its utmost to isolate the terrorists, to expose their subversive bases and to oppose their violence, using every available means — while respecting the rights of individuals and the community — which our constitutions and our laws allow.

If terrorism seems to threaten some societies more than others, we must remember that it is an affront and a threat to the common ideal of freedom and democracy in all our countries. It is only through the rejection of violence by every citizen in the Community, and through legislative and administrative measures coordinated at Community level, that we can extirpate this canker which is a barrier to the joint development of our societies towards a more civilized way of live and the greater respect of human rights.

This Parliament is meeting for the last time before the historic direct elections by universal suffrage. Here, before this Parliament, I want to pay tribute to the views of Aldo Moro on the value of the European Community. For many years, as a politician and as a leader of the Italian Government and Italian political life, he dedicated himself to the construction of Europe with all the commitment born of his humanistic and legal background, of his deep-rooted democratic ideals and of his Christian upbringing. In his words :

As Italians and as Europeans, we look to a united Europe with a tremendous sense of hope. Other than the solidarity of Europe, we cannot conceive of anything which will be more effective in overcoming within us distrust, the allure of decadence and the risk and disappointment of isolation.

Throwing off the chauvinistic trammels of the past, we have turned towards a Europe which is our neighbour and our equal in the hope that, apart from the priceless benefits of an economic Community, we shall also achieve a similar political development towards a supranational structure and a dimension which is suited, through reasonable expansion, to the aspirations of our citizens and the needs of the times.

These words are bequeathed to us by a man who was murdered for the very ideals in which he believed and for which he laboured. They are an admonition to us to remain true to the aims for which this Parliament has worked so hard and for which the people of Europe are now involved in the largest and most typical expression of democracy at work in modern times.

With sadness we again pay tribute to the memory of Aldo Moro, and we offer our humble condolence to his family and to the Italian nation, which is still a prey to terrorism and violence.

### *5. Decisions on requests for early votes*

**President.** — The next item is the decision on two requests for early votes.

We consider first the motion for a resolution (Doc. 162/79), tabled by Mr Ansquer on behalf of the Group of European Progressive Democrats, requesting an early vote to wind up the debate on the oral question (Doc. 112/79/rev.) on Community supplies of raw materials.

**President**

Since no one wishes to speak, I put the request to the vote.

The request for an early vote is adopted.

The motion for a resolution will be put to the vote this afternoon.

We now consider the motion for a resolution (Doc. 163/79), tabled by Mr Van der Gun on behalf of the Committee on Social Affairs, Employment and Education, requesting an early vote to wind up the debate on the oral question (Doc. 141/79) on *preparations for the meeting of the Council of Ministers of Social Affairs and Labour on 15 May 1979*.

Since no one wishes to speak, I put the request to the vote.

The request for an early vote is adopted.

The motion for a resolution will be put to the vote this afternoon.

*6. Decision on urgency*

**President.** — The next item on the agenda is the vote on two requests for urgent procedure pursuant to Rule 14 of the Rules of Procedure.

I consult Parliament on the adoption of urgent procedure for the motion for a resolution (Doc. 164/79), tabled by Mr Hamilton, Mr Brown, Mr Ellis, Mr Dalyell, Lord Bruce of Donington, Lord Castle, Mr Fitch, Mr Edwards, Lord Ardwick, Lady Fisher and Lord Kennet, on *a single seat for the executive and parliamentary institutions of the Community*.

The reasons supporting the request for urgent procedure are contained in the document itself.

I put to the vote the request for urgent procedure.

The request for urgent procedure is rejected.

Pursuant to Rule 25 of the Rules of Procedure, this motion for a resolution is referred to the appropriate committee.

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution (Doc. 168/79), tabled by Mr Glinne on behalf of the Socialist Group, on *the trial of Mr J. Sabata*.

The reasons supporting the request for urgent procedure are contained in the document itself.

I put to the vote the request for urgent procedure.

The request for urgent procedure is adopted.

I propose that this motion for a resolution be placed on the agenda for the sitting of Friday, 11 May 1979, before the Walker-Smith report on the appointment of a Community ombudsman.

Since there are no objections, that is agreed.

*7. Tabling of two motions for resolutions seeking to amend the Rules of Procedure*

**President.** — I have received two motions for resolutions seeking to amend the Rules of Procedure of Parliament :

— a motion for a resolution (Doc. 170/79), tabled by Mr Fellermaier on behalf of the Socialist Group, Mr Klepsch on behalf of the Christian-Democratic Group (EPP), Mr Pintat on behalf of the Liberal and Democratic Group, Mr Rippon on behalf of the European Conservative Group, Mr Amendola on behalf of the Communist and Allies Group and Mr de la Malène on behalf of the Group of European Progressive Democrats, on the creation of a Rule 7a of the Rules of Procedure of the European Parliament ;

— a motion for a resolution (Doc. 171/79), tabled by Mr Fellermaier on behalf of the Socialist Group, Mr Klepsch on behalf of the Christian-Democratic Group (EPP), Mr Pintat on behalf of the Liberal and Democratic Group, Mr Rippon on behalf of the European Conservative Group and Mr Amendola on behalf of the Communist and Allies Group, on the amendment of Rule 36 (5) of the Rules of Procedure of the European Parliament.

In accordance with Rule 54 (1) of the Rules of Procedure, these motions for resolutions have been referred to the Committee on the Rules of Procedure and Petitions, which will meet this afternoon so that Parliament will have the opportunity of stating its views on these motions for resolutions during the current part-session.

*8. Employment policy*

**President.** — The next item is the joint debate on the oral questions with debate tabled by Mr Fellermaier on behalf of the Socialist Group to the Council (Doc. 125/79) :

Subject : Community employment policy

1. At its meeting of 7 and 8 April 1978 in Copenhagen, the European Council stated that it was essential for the Community to achieve an annual growth rate of 4.5 % by the middle of 1979. It called for a common strategy to be developed to reverse the unsatisfactory trend in the Community. In Bremen the European Council decided on a common approach by means of complementary measures in order to achieve a considerably higher rate of economic growth and thus reduce the level of unemployment.

However, according to the Commission's latest estimates the growth rate in the Community in 1978 amounted to only 2.8 % and a rate of 3.4 % is forecast for 1979.

How does the Council explain this discrepancy between the 1978 objectives and the present economic facts or forecasts? Can it explain why this common approach has clearly been unsuccessful, since unemployment has increased still further since the beginning of 1979? What does it intend to do once and for all to combat unemployment in the Community effectively? Are not new measures to stimulate the

## President

economy and more effective action specifically related to employment and labour market policy urgently required as part of a determined effort to combat the continuing unemployment problem?

2. In his conclusions to the Tripartite Conference of June 1977 the President-in-Office of the Council called for comparative and quantitative studies on a number of matters which could serve as a basis for Community action. These matters included the implications of work sharing and the role of the tertiary sector, including the public sector, in job creation.

What is the outcome of these studies? What practical measures have so far resulted from them?

and by Mr Fellermaier, Mr Pisani and Mr Lange on behalf of the Socialist Group to the Commission (Doc. 126/79):

Subject: Employment policy

1. What rate of economic growth would make it possible, within a reasonable time, to eliminate current unemployment? Is this rate of growth compatible (bearing in mind the current state of the markets in raw materials and energy) with the balance of payments requirements of the Member States?
2. In the light of these considerations does the Commission not think that constructive measures for the redistribution of work should be taken as a matter of urgency; if so, what proposals is it drawing up to this end?
3. On a more general level, can the Commission provide any information on its overall standpoint on the employment situation and on what proposals it intends to submit in this field to the Social Council and the Standing Committee on employment at future meetings?
4. How does the Commission intend to improve the tripartite compromises; will it be submitting proposals to the Council on this subject?

I call Mr Pisani.

**Mr Pisani.** — (F) Mr President, an ill-disposed person, witnessing our persistent requests for a debate on this oral question concerning employment might accuse us of trying to pull a cheap electioneering stunt. However, as politicians — and above all as candidates for election — it is our duty at this Parliament's final part-session to recount what we see and hear, when talking to the voters and telling them what Europe is all about during the run-up to the election.

At our various meetings, where we all encourage the public to vote in the elections to the European Parliament, we are often asked what is the use of Europe, and how can it resolve what is the most pressing problem in most, if not all, the member countries. Today's debate therefore provides a foretaste of the anxieties which will be expressed when the new Parlia-

ment is elected and when, with its newly acquired capacities, it sets out to tackle the Community's major problems.

The oral question which I have tabled on behalf of the Socialist Group is addressed, from two different viewpoints, to the Commission and to the Council, and it serves as an introduction to a motion for a resolution which the House will be invited to vote on at a later stage. The first question which comes to mind — and we have put this to the Commission — is what rate of growth would make it possible to eliminate unemployment? Speaking on behalf of my Group albeit in rather general terms, I have on occasion said that growth does not result in the creation of jobs. However, I ought to have said — and I say it now — that growth alone, while an essential prerequisite, is not sufficient to increase employment. As we know, investment is aimed more at increasing productivity in the face of international competition than at increasing employment.

Nonetheless, even with investment aimed at boosting productivity, growth is necessary for more employment. The first question we ask is this — and it is an all-important question in view of the state of our economies, our production structures and the state of the international market: what level will growth have to reach in order to trigger off a process whereby unemployment can be eliminated on the basis of growth? This is an important question, especially as it will have to be linked to another issue, namely that of the Community's external trade balance, because growth invariably leads to an increase in our imports of raw materials. The purpose of the question is therefore to consider the employment problem in the context of the general factors influencing economic growth.

Having raised this question, I shall now put another question to the Council. At the recent summit meetings a number of theories were put forward and a number of plans expounded for the Community to reach a certain growth rate. However, this growth rate has clearly not been achieved; although there have been rather more encouraging signs in recent weeks, we have to admit that the goals have not been reached, nor are they likely to be reached in the near future, and the recent increase in energy prices has intensified our anxieties.

The question we would like to put is this: why have the forecasts and objectives — as they both went hand in hand — not been realized, and what forecasts and objectives is the Council now proposing to the Community? In other words what common proposals are the national governments making? What likelihood is there that the Community will achieve its goals more fully than in the past?

**Pisani**

These two questions express our deep concern, a concern which is a very accurate reflection of the feelings of responsible people in the face of persistent unemployment. The purpose of both questions is to encourage the search in another direction and indeed to continue a political process which was begun at the Bremen, Brussels and Paris summits. Growth alone — and I have been trying to explain how we think it should be analysed — is not sufficient to solve the unemployment problem because apparently it allows us to accept certain levels of growth which do not create jobs, and we need to look elsewhere for a solution to this intolerable problem of unemployment. Rather than continue to speak optimistically about changing the future employment labour balance, we should seek a solution in other directions.

We have specified these directions in the motion for a resolution which we have tabled. The approach we advocate certainly involves the boosting of consumption — although this is linked to the general policy — as well as the creation of a certain kind of employment which, in parallel with the production sector and in line with the kind of society we wish to have in the Member States, would be likely to create jobs in the service sector — i.e. in hospitals and schools etc. — and which would enable the Community to develop a society which is more human and more pleasant to live in.

But we go a stage further and believe that despite the results which we are entitled to expect from these methods of job creation we shall not overcome the problem if we fail to tackle the question of distribution of work among those seeking employment. This is bound up with the whole question of the reorganization of working time. We feel it is not enough to discuss this in very broad terms, and that we should now begin to analyse the situation more carefully and try to determine ways and means of increasing employment and reducing unemployment by shortening the working week, by lengthening training courses which would be systematically available to all workers. Obviously, these methods must not lead to a loss of earnings, as this would be socially intolerable and would lead to a drop in consumption, which would in turn increase unemployment.

Some might regard this as trying to square the circle. But we must tackle this problem and overcome it. The present situation cannot continue. We cannot oblige management and workers to adopt one or other of these alternatives — one category of workers may prefer to lower the age of retirement while others may opt to cut working hours — but all these possibilities must be open to all those who determine policy, and each must be able to choose on the basis of the most pressing requirements, and in accordance with regional, professional or even temporal considerations.

The second comment I would like to make on behalf of my Group is that a reduction in working time will not automatically lead to the creation of jobs and that such cuts should be accompanied by efforts to ensure that they result in the employment of those who expect their right to work to be respected.

This is therefore a very major issue. It calls into question our definition of the Community, the responsibilities of the public authorities with regard to workers, and the place of workers in society. It is an urgent problem however, and the work of improving and of studying the situation should be carried out side by side. For this reason our motion for a resolution specifies the procedure to be followed so that this study can be intensified and the necessary measures implemented.

I shall leave it at that, Mr President. I have been endeavouring to point out on behalf of the Socialist Group that Europe can not be viable or enjoy the support of its citizens unless it solves its most serious problems, and that there can be no acceptable modern society in which workers are out of work.

*(Applause)*

IN THE CHAIR : MR SPÉNALE

*Vice-President*

**President.** — I call Mr Bernard-Reymond.

**Mr Bernard-Reymond, President-in-Office of the Council.** — *(F)* Mr President, at its meeting in Brussels on 5 December 1978, the European Council noted that, since its meeting in Bremen on 6 and 7 July 1978, the conditions necessary for strengthening the process of economic growth had improved. It considered that it was necessary, particularly in view of the disturbing employment situation, to ensure immediately the rapid implementation of the measures adopted.

It reaffirmed its view that only a common coordinated approach by all Member States could bring about a greater convergence of economic development in the Communities. It considered that the efforts of all Member States to combat inflation must therefore be intensified in order to ensure the durability of the European Monetary System.

At its meeting in Paris on 12 and 13 March 1979 the European Council noted that there had been a resumption in growth in most Member States owing in particular to the concerted action undertaken. It was of the opinion that this growth should continue during the coming months unless the world economic situation was disturbed by a continuation of the tensions currently being experienced on the oil market.



## Bernard-Reymond

Further to the brief given to it by the European Council, the Council (Economic Affairs and Finance) called on the Commission on 19 March 1979 to submit a report to it on the possible consequences of these tensions on the Community's economic prospects so that it could discuss them in the near future, which it will be doing next Monday.

The Council — aware that the dialogue between the workers' and employers' organizations and the Community constitutes an essential element in solving the problems of growth, stability and employment — intends to take the measures necessary to improve the work of the Community tripartite meetings. The Council has just received a Commission communication on the improvement of relations with both sides of industry in the context of Community tripartite conferences and intends to discuss the matter at its meeting planned for 15 May 1979 with a view to establishing guidelines.

At its meeting on 12 and 13 March 1979 the European Council also called on both sides of industry to take the appropriate steps to develop their dialogue on a Community level, where appropriate on a sectoral basis.

The Council is awaiting documents from the Commission on the following items concerning the employment programme: a better adaptation of training to employment by developing staggered training schemes; limitation of the systematic use of overtime; improvement in the employment of women; social problems in the iron and steel industry. The Council will examine these documents as soon as they are received.

Following discussions on 29 June and 27 November 1978 and contacts organized by the Presidency, the Council adopted on 18 December 1978 the texts on strengthening the activity of the European Social Fund for the benefit of young people under 25 years of age who are unemployed or seeking employment. These texts came into effect on 1 January 1979. According to the new system the Fund may grant assistance to the following types of national aid: aid to promote recruitment by means of additional jobs created by employers engaged in an economic activity; aid to promote employment by means of projects for the creation of additional jobs which fulfil a public need.

Following the Tripartite Conference in Luxembourg on 27 June 1977, the Standing Committee on Employment discussed questions connected with work sharing on 21 March 1978, and on 12 May 1978 the role of the tertiary sector (including the public sector) in achieving growth, stability and full employment.

The Tripartite Conference in Brussels on 9 November 1978 discussed in particular the problem of work sharing. The workers' representatives wanted to conclude a basic agreement throughout the Commu-

nity to reduce working hours overall by 10 % in the next four years, by reducing the working week, increasing annual holidays and lowering the retirement age. The reaction of the employers' representatives was cautious, if not unfavourable. They stressed in particular that no hasty conclusions should be drawn until the impact of the proposed measures on the working methods and costs situation of the undertakings concerned had been more closely analysed. It was their opinion that such reductions might impede production, particularly because of the reduced mobility and additional costs these would involve, with a corresponding adverse effect on the labour market situation. The Council is awaiting a Commission communication on the adjustment of working hours which, according to the latest information, is due to arrive a few days before its meeting planned for 15 May 1979.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (NL) Mr President, to start with I should like to express my regret that this morning's debate was not combined with the debate we held yesterday on exactly the same topic in connection with the report by Mr Albers and the question tabled by Mr Van der Gun on behalf of Parliament's Social Affairs Committee. This is a pity, as Mr Pisani has just made some very pertinent comments which I would really have welcomed yesterday, when I gave a detailed reply. I cannot afford to repeat what I told Parliament yesterday, when I spent about 40 minutes expounding the Commission's proposals. Incidentally, I would point out to the President-in-Office of the Council that these proposals, which he said he expected to receive shortly, have already been submitted to him. We sent them to the Council last week, and next week we shall be discussing these matters — which are extremely important for the Community's future development — in particular with the Council of Ministers of Employment and Social Affairs.

I repeat what I said yesterday, namely that, as a member of the Commission and as a former member of this House, I cannot remember any more far-reaching social proposals being submitted by the Commission to the Council and Parliament.

The questions put by Mr Pisani on behalf of his Group were answered by me yesterday. However, I will repeat, as I feel this is an important issue, that the growth figures for gross domestic product since 1973, which marked a turning point in our economic growth, have been as follows: in 1974 the real growth in the gross domestic product was 1.8 % in 1975 growth fell to 1.5 %. In 1976 there was a recovery, with 5 % growth in the economy and in 1977 and 1978 growth amounted to 2.4 % and 2.8 % respectively. The Commission's forecast for 1979 is a growth rate of 3.4 %.

## Vredeling

There is the background against which we should view the development of unemployment in the Community, which between 1973 and 1978 rose from 2.5 % of the working population to no less than 5.5 %. It is expected that unemployment in the Community will at best stabilize at around 5.5 %. The forecast for 1979 is 5.4 %, and I would underline what has already been pointed out by Mr Pisani: there are signs of a recovery, especially in Germany, where the employment situation seems to be improving.

However, in certain other Member States, namely Great Britain, France and Italy, the picture is less encouraging. And I do not think that the fact that the situation is improving in some Member States means that the Community as a whole has solved all its problems or that the healthy trends will be maintained.

There are too many factors which suggest that the situation is rather more gloomy. I do not wish to be over-pessimistic, but we must not think that we are out of the wood yet and that things will right themselves on their own — far from it, and the Commission is also aware of this.

Furthermore, our medium-term forecasts point to a demographic trend which will further complicate the employment situation. Of course, it is difficult to say exactly what percentage of economic growth is necessary to achieve a high level of employment, but we need a growth rate of at least 4.5 %.

I should like in this connection to correct a slip of the tongue I made yesterday, when I mistakenly said that the minimum growth rate was 5.5 %, whereas it is in fact 4.5 %. That is the minimum we need to achieve in order to attain anything approaching full employment by 1985. But this figure is of course shrouded in uncertainty. For example, we do not know exactly to what extent the percentage of the population on the labour market will increase. An assessment can be made for young people, as demographic forecasts concerning the young are fairly reliable. However, we are uncertain about the percentage of women who will be working in a wage-earning capacity. But if the percentage of working women increases, which can be regarded in itself as a welcome trend, this will affect the policy we must pursue to provide job opportunities for all those who want to work. If economic growth revives, we shall find that the percentage of the population wishing to enter the labour market will increase, while with a lower growth rate this percentage will also be lower. As Mr Pisano has already pointed out, the situation as regards productivity trends is uncertain.

I should like to make a point here which in fact fits in with what Mr Pisani said. I dealt with this at length yesterday, but I should now like to put it in a nutshell. We have found — and all the forecasts agree on this — that we shall not succeed by merely re-establishing

economic growth as such. We appreciate that growth is extremely important, but it is not the be all and end all of economic prosperity. Jobs are in short supply. If present trends continue, any prospect of full employment in 1985 will be out of the question. This fact has prompted the Commission — acting also at the request of the Council, which shares the Commission's concern — to submit to the Council a document on the redistribution of work.

This is a highly important subject, which the Commission raised last year in the Standing Committee on Employment. I believe that the Commission has an important part to play in this field to stimulate discussion at European, i.e. Community level on this problem, which is facing all the Member States. We need to achieve the necessary coordination and to channel developments, otherwise the situation in the Member States could develop along divergent lines, which would be dangerous and could damage the economic development of the Community as such.

It is difficult to predict productivity trends. It is said that there is a certain pattern, which can be seen, for example, in the United States. But Mr Pisani was right about the need to develop the tertiary sector. In the Netherlands we also speak of a fourth sector, which is extremely important, and indeed essential if we are, as Mr Pisani said, to give our society a more human face. This is perfectly true, since during the tumultuous economic development in the fifties and sixties this sector, which is important to the people of Europe, was neglected in all Community countries although the Community and its people could derive greater benefit from it. This sector has lagged behind social progress in general. However, we urgently need this sector of we are to create jobs for the future, especially for the young. I therefore fully agree with Mr Pisani, who attaches such great importance to the development of this sector, although I am aware that productivity here is low. Productivity is always measured in economic terms. But the social productivity which results from better equipped social services cannot be expressed in terms of money.

Human well-being cannot be measured in financial terms, and that is why we tend to overlook development in this field.

Productivity is expressed in figures with an economic basis, but they fail to reflect the underlying human situation. A trend towards the creation of jobs in the tertiary and in particular in the 'fourth' sector could, however, be beneficial to society as a whole. The other side of the coin, of course, is the development of new technology, the standard example of which is the introduction of chips. Mr Christensen gave a very vivid illustration of this yesterday when referring to the situation in a well-known Danish brewery. He did not want to advertise and so mentioned no names. He said that as a result of modernization, the production

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hitherto achieved in this major Danish brewery by 700 workers will in future, if I remember right, be achieved by 140 workers.

Just think what adverse effects this will have on employment. This is only an example, but the same is happening everywhere. The same pattern is also clearly apparent in the United States, which means that more and more people will have to find jobs in the tertiary sector. In the United States 70 % of the working population is already in the services sector, while the figure for Europe is a little over 50 %, but this will clearly continue to rise.

Of course, this raises all kinds of problems. If we stimulate economic development there is a danger that inflation will flare up again and that there will be increasing wastage of raw materials because we mismanage our environmental problems. The Commission has come to the conclusion that the revival of economic growth is not in itself sufficient either to ensure full employment or to provide for reasonable social development in the Community.

I should like to point out that investment is also extremely important for employment. Hitherto we have been able to afford the luxury of allowing investment to be freely determined by market forces.

At any rate, we thought we could afford this luxury, but it will not be possible for much longer, and this has led the Commission to draw certain conclusions. The proposals we have put forward, in particular those drawn up by my colleague Mr Ortoli — the so-called Ortoli facilities — have been accepted by the Council. Investment must be stimulated in a given direction, i.e. with a view to guaranteeing employment, which would be jeopardized if investment was left to market forces.

A question has also been asked on the relationship between growth and the balance of payments. In 1977, the Community as a whole achieved a balance of payments surplus of 2 000 million EUA. In 1978 the surplus was greater at 11 000 million EUA, and for 1979 a current account surplus of 9 500 million EUA is expected. This gives the Community a safe margin and is a healthy trend. I should point out, however, that the situation is not the same in all Member States. Some have a deficit, albeit relatively small; I think, however, that the general situation is sufficiently healthy to provide a basis for further measures to combat unemployment, even though account will have to be taken of certain obstacles alluded to by Mr Pisani, such as the prices of energy and raw materials.

I must be brief in replying to questions 2 and 3, otherwise I shall be repeating what I said yesterday. Our document on the redistribution of work, the document on the accompanying social measures in the steel sector and the document on improving the proce-

cedure for the Tripartite Conference must all be regarded as a whole. These documents, which we have already submitted to the Council, will provide a very good basis for reaching positive policy decisions, both in the Council and for the forthcoming European Council. Mr Pisani referred to the importance of consultation between both sides of industry, especially at European level. This is in fact the novel aspect here, namely that the Commission has emphasized the importance of such contact and of outline agreements at European level between trade union and employers' representatives. This is the policy on which we have embarked. Of course, management and workers are independent and we cannot impose anything on them, but in our text we referred to their responsibility to engage in discussions, and we also mentioned this point to the Council, referring to what was discussed at an informal meeting of the Ministers of Employment and Social Affairs held at the beginning of March in Paris.

At this meeting the ministers emphasized the importance of drawing up 'outline directives' — as they were referred to by the chairman of the meeting — in the social field and in the field of work sharing; particular reference was made to overtime both at that meeting and at the subsequent meeting of the European Council. The subject of work sharing has thus rightly been raised at European level, in connection with the policy which we shall have to carry out.

Mr President, I can be brief concerning the proposal for improving the procedure for the Tripartite Conference. This was discussed at length yesterday on the basis of Mr Albers' report, and this proposal has already been submitted. I can very briefly outline the points contained in our proposal. We have proposed that the Council, which attends the conferences in its own right and can also speak in that capacity, should determine the subjects to be discussed at the Tripartite Conferences after consulting the Commission and both sides of industry. We have also proposed that the Commission should prepare a preliminary draft of the conclusions to be reached at the Conference, on the basis of which the participants — i.e. the Council, the Commission, both sides of industry and the national governments — can determine their positions. Subsequently the chairman of the conference, in conjunction with the Commission, would be able to draw up the draft conclusions and submit them to the plenary Tripartite Conference. At the conferences, final conclusions can be drawn up by the chairman, together with the representatives of the Council, the Commission and both sides of industry. The joint conclusions can then be included in the communiqué along with the comments of management and workers, the Council, the Commission or of certain governments.

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I shall conclude by expressing the hope that the Council of Ministers of Employment and Social Affairs will be able to accept our conclusions and suggestions in a positive spirit. The Commission will then finalize its position and submit it to the European Council which, as you know, will be meeting again in Strasbourg in June. I believe that this will mark the beginning of a trend in Europe which is in line with that advocated by Mr Pisani. In the past we in the Community have placed rather too much emphasis on economic progress. Is it time we made up for lost time and began to see the development of Europe — just before it is too late, on the eve of direct elections to Parliament — in terms of social progress, with which people can identify.

People do not normally identify with Community trade policies or with the technical problems of harmonization, but with matters of concern to them. We see this in all Member States in discussions on work sharing, or on the intractable problem of unemployment, particularly among the young. I think the Commission has acted just in time in commending these proposals to the attention of Parliament; they can serve as a guide for those who will shortly, with a view to direct elections, have to explain to the public what Europe has in store for us. We have placed the proposals before you, and I hope, Mr President, that the directly elected Members will make good use of them.

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

**Mr Bertrand.** — *(NL)* Mr President, like Mr Vredeling, I regret the fact that our activities are so badly organized that we have to discuss what the French President has referred to as the challenge of the future twice in two days. Unemployment and everything connected with it is indeed the great challenge which will be facing the Community in the years to come, and I should therefore like to repeat what I said yesterday on behalf of the Christian-Democratic Group concerning the documents which the Commission has submitted to the Council — the document on improving the procedure for the Tripartite Conference and the document on the redistribution of work, which we regard as a temporary means of stabilizing unemployment at 5.5% in 1979. However, this cannot remedy the problem of unemployment in the long term. We must not cause any misunderstanding or raise any false hopes among the large numbers of people now affected by Europe's decline in employment. The work sharing plan submitted to the Council has our full support. I hope that on 15 May the Council will draw a clear distinction between questions to be resolved by both sides of industry on the basis of consultation and problems which must be remedied by means of a Community directive requiring Member States to introduce legislation on pensions, increases in holidays and other matters.

I hope that on the basis of this document the Council will be able to draft appropriate policies so that it can put the necessary proposals to the European Council on 22 June.

And finally we come to the third document dealing with the accompanying social measures for the structural reorganization of the steel industry, measures which lie outside the scope of Article 56 of the ECSC Treaty and for which we have requested 142 million units of account over and above the 70 million, of which the Council has approved only 28 million.

Mr Davignon has publicly protested against this, saying that if the Council does not approve the accompanying social measures the plans for the restructuring of the steel industry will collapse.

The Commission has now submitted certain clear-cut proposals, requesting that 70 million of the 172 million units of account should be earmarked for support measures. It is hoped that this will make it possible for the time being to maintain 80 000 jobs in the steel industry in order to give those affected the opportunity to retrain and transfer to other jobs.

You have an enormous moral responsibility, Mr Bernard-Reymond, especially as you have called a meeting of the Council before the elections on 10 June. I can assure you that all categories of workers in the Community are very eagerly, awaiting 16 May to find out what decisions the Council will have reached on the Commission proposals on 15 May. I therefore endorse the comments of Mr Pisani, but things should have been better organized because we now have to discuss three motions for resolutions — the motion for a resolution on behalf of the Committee on Social Affairs, Mr Fellermaier's motion and my own motion on employment. We could have avoided this if we had organized our agenda more efficiently.

As far as our long-term policy is concerned, I should like to make the Christian-Democrats' position quite clear. We believe that the Community's economic policy must serve the interests of ordinary people, both in family life and in society. First and foremost, therefore, everyone must have a steady job because without work the individual cannot achieve his full potential. This is particularly true of the dramatic situation facing young people in the Community. There are at present 6 million unemployed, including 3 million women and 2 million young people under the age of 25. It has been estimated that 15 million new jobs will have to be created by 1985 in order to keep pace with demand.

Among these 15 million job-seekers there will be 9 million school leavers. That is the task facing the Community. In the meantime we are trying to alleviate the disastrous situation by introducing temporary measures on work sharing. The Christian-Democrats

**Bertrand**

therefore call upon the Council and the Commission to draw up a balanced, comprehensive structural policy covering industry and small and medium-sized undertakings and designed to exploit all the Community's economic means of achieving full employment. We feel that such policies must be aimed primarily at the continuous modernization of industry. Perhaps not every undertaking will be able to create extra jobs, but in macroeconomic terms this will make more jobs available, especially if we have the courage to break new ground in the general structural policy: in other words, we should cater for new products, new processes, new markets, greater investment and expansion.

I was interested to hear the Council's statements and know what measures have been taken hitherto. But we must examine the results realistically! In Copenhagen, Bonn and Bremen the European Council was forecasting a growth rate of 4.5 % for 1979.

We warned you that this figure was illusory. The result for 1978 was a growth rate of 2.8 %, and not 4.5 %. Nothing has therefore been achieved in this field. However, we are pleased to note that we have been successful in our fight against inflation and that this has enabled us to set up the EMS. But as far as unemployment is concerned, all the measures we have taken to date have not produced any positive results. On the whole, unemployment is still rising despite all our efforts.

With your permission, I shall wind up by briefly outlining the Christian-Democrat programme. If we are to unite Europe we must show a common political resolve. We must map out the Member States' economic policy in mutual consultation. We must develop a Community competition policy. We must prevent further industrial mergers. We must harmonize taxation as well as commercial and company law. We must harmonize our environmental legislation. We must draw the appropriate conclusions with respect to economic policy, bring about the free movement of capital on the basis of the Commission reports, remove obstacles to trade and customs formalities, and respect the four principles of the social market economy — personal freedom, private property, competition and social security. Any long-term employment policy must be based on these principles, which will enable us to meet the challenge of 1985 to the best of our ability, otherwise we shall face a catastrophe which could pose a serious threat to the Community and its further development.

*(Applause)*

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

**Mr Ansquer.** — *(F)* It is clearly impossible, with the speaking time at our disposal, to discuss all aspects of

this highly important problem, but I have no doubt that the House will have another opportunity to discuss ways of combating unemployment. For this reason, Mr President, ladies and gentlemen, my brief comments will have only one purpose — to encourage the Community to adopt a coordinated approach to unemployment.

We believe that a return to improved and sustained growth should be regarded as a priority, as this will improve the employment situation in Europe. We were very gratified at the declarations and indeed agreements made in this field at the most recent European summits. However, the intentions expressed in these declarations have not yet been put into practice. We therefore feel that such decisions should from now on aim at promoting investment, particularly in certain key sectors, but also with respect to small and medium-sized undertakings.

In the field of energy, increased growth should result in the preparation and implementation of joint industrial programmes to counter the major structural changes brought about by international competition. Of course, we are not advocating a return to outdated protectionism: we propose that a highly organized form of cooperation should be developed with the countries which are now becoming industrialized. The Community should plan and apply a real trade policy to offset the effects of the unfair competition which has arisen, and to encourage the dynamism required to improve exports.

We all agree that other joint policies should be implemented to resolve the problems facing certain regions or categories of workers, for example, the problem of unemployment among young people and women. We therefore feel that vocational training should be foremost among the joint measures to be undertaken and that four main objectives should be pursued: schools should be made more aware of industrial undertakings, and viceversa; workers should take an active part in organizing their work and take on responsibilities, the movement of workers across European frontiers should be organized, and assistance should be provided for those who wish to become self-employed. I need hardly add that a more dynamic family policy would increase the freedom to choose between working at home and working outside. Part-time work should be extended and, for social as well as economic and demographic reasons, mothers should be covered by a comprehensive set of provisions including special financial assistance.

Finally, it is becoming increasingly clear to unprejudiced observers that a general drastic reduction in working hours cannot be justifiably presented as a means of re-establishing full employment. Indeed, the increased production costs which would ensue could

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even worsen unemployment. For this reason the reorganization of working time, whether on a daily, weekly, monthly or annual scale, should be in line with social requirements and, as Mr Pisani pointed out a moment ago, it should be based on more detailed analyses and on negotiations between the two sides of industry. The same applies to the fixing of the age of retirement.

Mr President, ladies and gentlemen, we must refuse to allow unemployment to become inevitable, and use all the means which the organization of Europe makes available to us to ensure that our old continent meets the challenges of the modern world.

**President.** — I call Mr Pisani.

**Mr Pisani.** — (*F*) Mr President, the advantage of holding two debates on this question is that we are able to address the official representatives of the Council of Ministers, which would have been more difficult yesterday. Although I am in no way responsible for holding this second debate, I am not sorry that it is being held, as it allows us to clear up a number of things.

I am about to flout the rules of decorum, Mr Bernard-Reymond, and imagine what the report of the next Council meeting would look like if the Council decided to try to fulfil the ambitions — if ambitions is the right word — and demands which we are expressing here in our representative capacity. You may interpret my lack of decorum as you see fit, but bear in mind that for the first time I am reading from a written document — something I do not normally do. Each word, then, means something.

The Council reaffirms the need to return to a higher level of growth. It calls upon the governments to foster the development of activities aimed at social progress.

The Council is in favour of adopting, by the end of 1979, a plan covering several years (for example, five) and aimed at reducing the duration of work by 10 %, with no loss of income. This plan will lay down, in particular

- firstly, the forms which this reduction may take and the conditions under which these forms are to be negotiated;
- secondly, the procedures whereby reduction in hours of work will lead to a drop in unemployment;
- thirdly, the conditions under which this necessary trend will be linked to the desired overall economic trend and with the contribution which the Community intends to make to the new international economic order.

The council solemnly calls upon both sides of industry to contribute towards this difficult task.

If we could read a report like that, Mr Bernard-Reymond, we would really feel that we had made progress!

**President.** — I call Mr Schwörer.

**Mr Schwörer.** — (*D*) Mr President, ladies and gentlemen, Mr Bertrand has already spoken on behalf of my Group, and I agree with everything he has said. However, I would just like to comment on the modernization of our economy by means of a modern structural policy. We know how important modernization is for the European economy, especially since our competitors on the world market are very active in this field. We all know that Japan's investment ratio in relation to its national product is twice as high as that of the Community, and we all know that the president of the US central bank a few days ago called for drastic improvements in the conditions of depreciation for undertakings in order to boost investment. The American depreciation rules were already much more favourable than in the Community. We want to promote real competition in the world economy — but competition which provides long-term opportunities for the European economy. Such opportunities can only be created if we constantly strive for innovation and modernization, which will lead to improvements in the quality of goods on the European market. No other measures offer any hope in the long term, and we all know that we will not be helped by protectionism directed against the rest of the world.

I would ask the Commission and Council to consider these individual measures, of which I shall mention only two: firstly, the industrial measures aimed at improving European industry's ability to undertake capital spending. In my view this can only be achieved by reducing the tax burden on undertakings, and we feel in particular that the demand for better depreciation terms is justified, especially in view of the rapid technological developments in plant and equipment. The Commission and Council should make a serious effort to tackle this problem and encourage the governments of the Member States to become active in this field.

Secondly, I would mention tax concessions in connection with the capital formation policy whereby workers participate in the profits of their companies, and leave this capital with the companies in the form of shares. Tax concessions should be applied to this policy in order to provide an additional means of financing for undertakings and also to improve management worker cooperation. The Community Institutions should also carry out preparatory work in this field. In its medium-term programme the Commission announced measures to be applied under the capital formation policy, but unfortunately no action has yet been taken. The Commission should encourage the Member States to do more in this field.

## Schwörer

Perhaps I can mention a third point, namely that considerably greater effort should be devoted to research and development in order to secure Europe's long-term position in the world economy.

Finally, however, it is very important that this measure should not be applied to large undertakings on a selective basis but that all undertakings should be affected equally, as Mr Bertrand has already said. I am referring to the millions of small and medium-sized undertakings in the Community. They are the main sources of employment, as about 65 % of jobs are to be found in this sector. Allowing them to benefit equally from all these opportunities is not only in the interest of fairness but is also politically advisable, for without the initiative hard work and enterprising spirit of these millions of small and medium-sized undertakings, we shall certainly be unable to solve the problems which we are discussing here today.

**President.** — I call Mr Albers.

**Mr Albers.** — (NL) Mr President, despite everything which was said yesterday I still feel it necessary to join in this debate because of the way in which it is developing. Mr Schwörer's speech sounded quite different from that of Mr Bertrand, and I get the impression that the European People's Party adopts various approaches to politics. Obviously, it is extremely important that capital expenditure should be increased in the Community. And obviously, we can stimulate this by means of tax concessions, including those affecting depreciation, but all these measures have been applied for quite a long time, and we have found that massive unemployment has arisen nonetheless.

The Socialist Group therefore contends that far greater emphasis should be laid on the social policy. Restructuring measures are unacceptable to us unless the social factor can play a prominent part. For this reason too, our programme advocates that checks should be carried out on the movement of capital and on the multi-nationals. If rationalization and new technology lead to a loss of jobs, there must be an obligation to draw up plans to create new jobs.

Mr Schwörer tried to sugar the pill by saying that if undertakings achieve profits because of all the tax concessions, the workers could earn more than they normally would and can have a share in these profits, but he says that they should invest their share in their undertakings. However, we have seen in practice what really happens. When industries close down workers are left with their share in their companies but are still empty-handed. This has happened on numerous occasions and is a major problem which we in the European Community are now facing.

The Socialist Group and the Confederation of Socialist Parties therefore favour a different approach

— greater supervision coupled with a selective investment policy. Capital investment must be geared to society's needs, funds must be invested where they are needed, where unemployment is greater than elsewhere. That is what we want to achieve, and we intend to uphold our position on this issue. I am pleased to have had the opportunity to state our views on this to have had now that the Council is present, and the President-in-Office of the Council can make it clear that Parliament wants its draft resolutions on the steel industry, the Tripartite Conference and on the Commission proposals to be examined carefully and implemented by the Council.

**President.** — I call Mr Bernard-Reymond

**Mr Bernard-Reymond, President-in-Office of the Council.** — (F) Mr President, I was very interested to hear the argument presented a moment ago by Mr Pisani. I may say without hesitation that I share his view of this problem, even though my solution to it would differ substantially from his. Mr Pisani has held responsible posts in government and is therefore a realist — by definition I would say — though he sometimes manages to free himself from realism or at least not to be tied down by it, a fact borne out by his latest book.

But because Mr Pisani is a realist and has held government posts, he will know that it is easier to talk about solving problems than actually solve them. I agree with him that there are two ways of tackling unemployment — achieving the highest possible growth rate and redistributing available work. But where we differ is that I do not believe that the two approaches complement each other. They run parallel and lead to the same goal, but the one cannot be regarded as complementary to the other. Depending on how available work is redistributed, the rate of economic growth is adversely affected, and so we should not imagine that we can aim for the highest possible growth rate while at the same time striving for the maximum redistribution of available work according to socialist ideals.

An attempt must be made to find a balance between these two measures, which do not add up to the simple sum total — that is the essential point to be borne in mind. This is the question on which we differ, and I must crave your indulgence for saying 'we', when I should more rightly speak for myself; but I was very careful to fulfil my responsibilities a moment ago in reading out word for word the text agreed on by the Nine. I shall therefore answer Mr Pisani's question rather more freely now, as he has raised a very important point, and the other speakers showed similar concern.

**Bernard-Reymond**

It is pointless to create 100 000 jobs by redistributing available work if this redistribution leads to a decline in the growth rate, which in turn leads to the loss of 200 000 jobs. We should therefore be very wary of any repercussions which the redistribution of work could have on the growth rate. I am convinced that of these two approaches, the first is more effective in combating unemployment. The first consequence of redistributing available work in the way you suggest, that is, a reduction in work without any reduction in income, would be an increase in the undertakings' expenditure and, as pointed out a moment ago, some undertakings could close down, which would exacerbate the problem of unemployment rather than remedy it.

You also advocate other solutions, such as boosting consumption. But what purpose would a boost in consumption serve if it were accompanied by an increase in inflation and difficulties in external trade? As you know, many Europeans nowadays depend on external trade for their livelihood. To boost consumption without the necessary precautions would, be to rekindle inflation and upset the external trade balance. Furthermore, although growth is not sufficient in itself to remedy the problem of unemployment — nor will it be for a long time to come — we should nevertheless envisage a situation, admittedly in the distant future, in which the growth rate alone will suffice to solve this problem. This was clearly the case before the international economic crisis.

It was argued just now that the conventional approach of increasing the growth rate had failed because it could not now live up to expectations. However, between the previous situation and today's situation there has been an oil crisis, and an international crisis completely changes the factors governing a situation. Thus, in re-arranging our working hours we should be careful not to include in our economic structures rigid patterns and habits which we will be unable to get rid of when things improve. While it is true that the growth rate cannot now cure the problem of unemployment and that we must therefore adopt the alternative approach of improving the distribution of available work, we can only do this if we remember that these two approaches have to be balanced and that the one cannot simply supplement the other. If we get too far in redistributing available work, the first alternative — that of striving for maximum growth — is made less effective.

If we allow ourselves to get into the habit of believing that all employment problems can be remedied by improving the distribution of available work, we will create a society in which it would be impossible, once economic growth has been re-established, to maintain the effectiveness which we expect of it. It seems to me, therefore, that while Mr Pisani's suggestions pose

the problem realistically and are highly objective and interesting, they cannot be adopted in their entirety, not as far as the proposed solutions are concerned at any rate. I was by no means shocked by your comments, Mr Pisani, first of all because we are familiar with your views. I did not find them indecorous, though I did think they were unrealistic. While we agree that we must try to improve growth as far as possible and we must be receptive to measures designed to promote social well-being a five-year plan to reduce work or hours of work which ignores the question of income does not create revenue — in fact, the opposite is true. It is occasionally necessary to point out a few basic truths over and above our debate. Mr Pisani always delivers his speeches so passionately, but unfortunately, policies — least of all social policies — cannot be founded solely on passion. It is a pity, Mr Pisani, but there we are; I just wanted to point out a few basic economic ideas and hope that you, in your turn, will not think this is indecorous of me.

I should also like to tell the other speakers very briefly that today I shall be unable to give very detailed and concrete replies to most of their questions. They will be answered in a few days' time at the Council meeting of 15 May, and I cannot now forecast the outcome of that meeting of social affairs ministers.

In any case the meeting will generally be guided by a keen awareness of the very difficult and delicate human problems of unemployment. This House is unanimous as to the objectives to be pursued, even if it disagrees on the method of pursuing them. I can assure you that all the ministers are very concerned about the problem of work sharing. Very wide ranging views have admittedly been expressed concerning the methods of tackling this problem, and emphasis is clearly placed on the greatest possible development of economic growth. Although the Council or the Communities have been criticized for not reaching the target of 4.5%. I think they would have been equally criticized for not setting a target of 4.5% even although we knew from the outset that it would be very difficult to achieve. I recall debates in several national parliaments in which the national governments were in fact criticized for their timidity in setting growth targets which were too low, at least too low to achieve the ultimate objectives or standards. I believe the Council was quite right to aim at a growth rate of 4.5% even if the worsening international crisis and constantly rising oil prices prevented it from achieving this goal. In the words of William of Orange: 'It is not necessary to hope in order to embark on an action, nor to succeed in order to persevere'. I can assure you that the Council hopes and acts, and will succeed and persevere.

*(Applause)*



**President.** — I call Mr Pisani.

**Mr Pisani.** — (*F*) To make a serious point it is not enough merely to cloak it in fine words, but — as you have shown, Mr Bernard-Reymond — fine words are no obstacle to making a serious point. However, I did not feel that your reply to my question was altogether pertinent. Thank you, at least, for saying that you shared my view of the problem.

So you do not think it possible to reconcile growth and an employment policy — as we define it — with monetary stability. We, on the other hand, contend that there is no other way of solving the problem. Without such a policy we would be blinding ourselves to all hope of a solution, clinging to the idea that more sustained growth is the only answer to the problem of unemployment. We maintain that the unemployment problem must be resolved without delay.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (*NL*) Mr President, I should like to address the House, if only to introduce a Germanic voice into this — albeit interesting — French debate. I welcome this debate and agree with Mr Bertrand that it may perhaps be incomplete on the technical level, but it is nonetheless politically interesting. When we hear the reactions of Parliament's various political groups and the position adopted by the President-in-Office of the Council, we do not need to agree on all points to realize that the debate is developing in a very interesting way. I also feel it is of the utmost importance that we should stop regarding economic growth as a sacred cow, for this sort of attitude led to the present unemployment situation. I am not blaming anyone, but I am well aware — as is the President-in-Office of the Council — that the international crisis is one of the reasons for the Community's sluggish economic growth.

However, it is unacceptable that this crisis should automatically lead to a situation in which there are six million unemployed. If the President-in-Office of the Council is saying that he is in favour of maximum economic growth, I should like to make a slight amendment. The Commission is in favour of optimum economic growth, which is a different matter, because optimum economic growth leads to full employment while maintaining general progress. I think it is very important that Parliament and the President-in-Office of the Council have taken this approach to the question. Finally, I should like to thank Mr Pisani for his suggestions concerning the conclusions to be reached at the Council meeting. You know — and Mr Pisani knows from experience — how much hard work is needed to get particular conclusions accepted in the

Council. Of course, there is always close cooperation here between the Commission and the Council. The first draft has not yet been finalized, but a draft must be produced, and Mr Pisani has tabled an interesting text. I hope that this spirit will prevail in the Council of Ministers' discussions on 15 May, as well as at the subsequent meeting — and I shall wind up on this point — of the European Council, which brings together the political leaders of the Community. I hope that this will create a situation in which, with the directly elected Parliament, we can arrive at some definite decisions, taken in conjunction with both sides of industry. Next week the European Trade Union Confederation will hold a congress to be addressed by the President-in-Office of the Council, Mr Boulin, and Mr Jenkins, President of the European Commission. I am curious as to how the trade union movement will react.

**President.** — Before I close the debate, I should like to thank all those who spoke. A debate of this importance was bound to be incomplete in the time we had at our disposal, but it was very interesting and highly topical.

I have received two motions for resolutions with requests for early votes, pursuant to Rule 47(5) of the Rules of Procedure :

- motion for a resolution (Doc. 166/79), tabled by Mr Bertrand, Mrs Walz, Mr Schwörer, Mr Pisani, Mr Klepsch, Mr Noè, Mr Ripamonti, Mr Granelli, Mr Van der Gun, Mr Caro and Mr Santer on behalf of the Christian-Democratic Group (EPP), requesting an early vote to wind up the debate on the oral question (Doc. 126/79) on employment policy ;
- motion for a resolution (Doc. 169/79), tabled by Mr Fellermaier, Mr Pisani and Mr Lange on behalf of the Socialist Group, requesting an early vote to wind up the debate on the oral questions (Docs. 125/79 and 126/79) on employment policy.

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

The debate is closed.

#### 9. Agreement on the protection of the Rhine

**President.** — The next item is the oral question with debate (Doc. 648/79) by Mr Berkhouwer, Mr Jung, Mr Meintz, Mr De Clercq, Mr Baas and Mr Geurtsen to the Council :

Subject: Agreement on the protection of the Rhine against pollution

Does the Council not consider it a matter of overriding concern to the European Community as a whole that the agreement on the protection of the Rhine against pollution concluded in 1976 should enter into force as soon as possible ?

I call Mr Baas.

**Mr Baas.** — (NL) Mr President, I must apologize on behalf of Mr Berkhouwer, who is campaigning in the Netherlands as his party's top candidate in the European elections. Emotions are running high in the Netherlands on the pollution of the Rhine, and there is general indignation. I shall try to list the facts briefly again.

Each breakfast-time, the 14 million Dutch receive 1 kilogramme of salt from the salt discharges in Alsace. To this must be added another kilogramme of salt from other waste discharged into the catchment area of the Rhine. On average, the following quantities of waste products were carried over the German-Dutch border by the Rhine in the years 1973/74 and 1975: 47 tonnes of mercury, 400 tonnes of arsenic, 130 tonnes of calcium, 12 000 tonnes of zinc, 2 000 tonnes of chromium and 12 million tonnes of chlorides.

If this situation is not to get worse, there is an urgent need to reduce the amount of pollution, since the industrial plants in the catchment area are endangering the environment more and more every day. Twenty percent of the industrialized world's chemical industry is situated in the vicinity of this river and discharges its waste into it. The legal proceedings taken by the market gardeners in the West of Holland against the potash mines are moving at a snail's pace. The writ was issued in October 1974 and the reply from the potash mines arrived in February 1978, after all of 40 months. The plaintiffs' replication dates from March 1978 and the potash mines' rejoinder from the end of June, while the provisional judgment was pronounced at the end of 1978. Would the Council be willing and able, with the support of the Commission, to give financial aid to this test case, which has implications going far beyond those of a simple claim for damages by Dutch market gardeners? Studies into the injection of salt waste into the earth are being continued, but are any other possibilities being investigated? Will the alternative of closing down the potash mines completely also be looked into? What steps could the President-in-Office of the Council take to ensure that France also ratifies the Salt Waste Convention and the Chemical Convention already ratified by all other Member States and by the Community?

The vital interests of one Member State, the Netherlands, are at stake here. Environmental groups are now taking to the barricades to protest against the danger to the environment — we can see this happening in Alsace, in Gorleben and elsewhere. However, a Community approach still seems a very far-off prospect although it is this very field, in which there are so many opportunities for the Community to demonstrate solidarity, which could prove a test case. Politicians will have to find the courage, the manner, the tenacity and the willingness to accept justified criticism to decide, after weighing all the factors involved, that the only way to achieve any improvement at all

in this unacceptable situation in the short term is to use this injection process. We know that this is asking a lot of the people of Alsace and we fully understand their situation.

It is true that the people of Alsace will have to put up with a certain amount of risk — more than in other parts of France or of the Community — but what is at stake here is the credibility of our efforts, the credibility of the politicians and, in the final analysis, the credibility of the Members of the Council, who are among those responsible for achieving the Salt Waste Convention. Also at stake, finally, is the credibility of the French Government.

#### IN THE CHAIR : MR LÜCKER

*Vice-President*

**President.** — I call Mr Bernard-Reymond

**Mr Bernard-Reymond,** *President-in-Office of the Council.* — (F) Mr President, as the honourable Member is aware, the Council has for several years been working constantly towards Community level action on the environment, in particular on the protection of waters against pollution. The Community is thus a party to the Convention for the protection of the Rhine against chemical pollution, signed in Bonn on 3 December 1976, and to the Berne Agreement concerning the International Commission for the Protection of the Rhine against Pollution. In addition to the Community, all the states which were signatories to the Bonn Convention on Chemical Pollution have ratified the agreement which entered into force on 1 February 1979.

The Community is not, however, a party to the Agreement on the Protection of the Rhine against Chloride Pollution, which was also signed in Bonn on 3 December 1976.

**President.** — I call Mr van Aerssen to speak on behalf of the Christian-Democratic Group (EPP).

**Mr van Aerssen.** — (D) Mr President, ladies and gentlemen, on behalf of my colleague, Mr Jahn, allow me to say that the Christian-Democratic Group supports the general concern expressed in this oral question. However, in our view the problem relates not only to the Convention for the Protection of the Rhine against Chemical Pollution, concluded on 3 December 1976, but indeed primarily also to the Chloride Agreement and the related problems of the potash groups in Alsace. Although the European Economic Community is not a party to the Chloride Agreement, the Council should in principle extend its reply to cover this problem also.

In this connection may I point out that our Parliament is represented by three Members — Messrs Adams, Baas and Jahn — in the Working Party of the

**Van Aerssen**

Interparliamentary Conference on the Pollution of the Rhine. As you know this conference was first convened in The Hague on 24 February 1977, that is two years ago. At the request of this conference — I think this fact is very relevant — Mr Baas and Mr Jahn each drew up a report on respectively :

- proposals for more intensive and lasting cooperation with a view to cleaning up the Rhine, between the parliaments of the signatory states to the Bonn Convention, the European Parliament and the Consultative Assembly of the Council of Europe ;
- the evaluation of existing data on the pollution of the Rhine and proposals for priority measures to be taken by the signatory states to the Bonn Convention.

I should like to confine myself to enumerating briefly a few important conclusions arrived at in the reports of Mr Jahn and Mr Baas, and to presenting, on behalf of our Group, a list of priority measures.

First point : the discharge of toxic substances into the waters of the Rhine must be totally prohibited, at least to the extent that the best available technology permits.

Second point : the noxious substances contained in waste water must be removed at the place of origin, namely in a waste water purification plant. Discharge into the Rhine must be monitored according to the procedures laid down in the Convention on Chemical Pollution.

Third point, which we consider very important : all undertakings disposing of waste water into the Rhine must be required to undertake extensive self-monitoring, paying particular attention to possible noxious substances. Fourth point : immediate measures should be taken to ensure that all substances contained in waste water comply with the limits fixed by the International Commission for the Protection of the Rhine against Pollution, because if these limits are not respected all this work will be in vain.

Fifth point : a further important objective is to have Rhine water of such a quality that untreated water for drinking water supplies can be obtained by means of natural processes, e. g. bank filtration.

Sixth conclusion : international measures against pollution of the Rhine, in particular with phosphate substances, are urgently required. These should be introduced under the direction of the International Commission for the Protection of the Rhine against Pollution, with particular emphasis being placed on combating the phosphates contained in detergents.

Seventh point : the cleaning-up measures — and in particular the construction of purification plants — must be taken primarily at the seven main discharge lines, in other words at the locations of the seven principal culprits, which together account for 50 % of the biological pollution of the Rhine.

And finally the eighth point : the provision of drinking water from the Rhine, taking into account possible uses, in particular for drinking water supplies, must be the principal determining factor for all pollution prevention measures ; the criterion in assessing the waste-water discharge lines must be the quantity of waste-water substances emitted per unit of time and not just the concentration of such substances, since dilution of waste water is not the same thing as purification. Mr President, ladies and gentlemen, the next plenary session of the International Conference on the Pollution of the Rhine is scheduled to take place in Strasbourg at the end of May. It will have to decide on the proposals I have just presented. We appeal to the Assembly to give these proposals its full support.

I should also like to point out that Mr Jahn addressed a written question to the Commission some time ago, in which he expressed the fear that the Chemical Convention might not enter into force within the foreseeable future because some essential elements — two, in particular — were lacking : firstly the limits to be fixed for emission levels of toxic substances, as part of the procedure of prior approval, must be proposed by the Protection Commission, and that has not yet been done, and secondly, when these limits have been fixed by the Protection Commission they require the unanimous approval of the contracting parties. These two preconditions have not yet been met. There is a great danger that the agreement will remain one on paper only, and lose its validity because of its inability to function.

The Commission was asked at that time what it intended to do in view of this situation, i. e., firstly, what the Community as a contracting party intended to do to overcome these obstacles, secondly, when the limits and the quality objectives would be fixed and, thirdly, within what time period a real solution to this problem could be expected.

The Commission conceded the difficulties involved ; however it was not able to give any concrete indication of how soon this agreement could come into force.

We note with great regret that today the Council has not proposed any further concrete steps to this end. I must therefore once again say quite plainly on behalf of my Group that it is now urgently necessary that the appropriate decisions are taken at the next meeting of the Protection Commission in May.

**President.** — I call Mr Bernard-Reymond.

**Mr Bernard-Reymond, President-in-Office of the Council.** — (F) Mr President, I should simply like to recall briefly that when this question was asked the Convention concerned had not yet been ratified and that consequently the Council's reply nonetheless contains some positive elements.

**Bernard-Reymond**

Let me say also that I have listened with great attention to your various proposals for cleaning up the Rhine. However, I am quite aware that in fact what you want me to do is to take off my President-of-the-Council hat and put on that of the French Secretary of State for Foreign Affairs, and to give you some information on the problem of chloride pollution.

It is true in effect that the ratification of this Convention has posed and continues to pose problems within the French Parliament. And rather than face an irreversible setback, the French Government preferred to withdraw this text provisionally from the agenda of the French National Assembly so as to leave time before the next agenda to convince unwilling Members of Parliament, with the aid of technical evidence, of the merits of ratifying this convention.

As you know, the technical solution advocated — which Mr Ansquer knows well because he had to examine this question himself when he was Minister for the Environment — is to bury the chlorides in the Alsace subsoil. However, a certain number of ecologists in Alsace were very disturbed by this proposal. The result is that we are witnessing an ideological-ecological conflict between German ecologists who do not want salt in their subsoil and Dutch ecologists who do not want salt in the Rhine. We nonetheless hope to be able to find a solution once we have eliminated all the alternative proposals which have proved technically impracticable. At present our very close and very intensive contacts with Members of Parliament suggest that it will be possible to put this issue on the agenda of the French National Assembly shortly, and we very much hope that there will then be a successful outcome.

I must acknowledge that in the meantime the Netherlands Government has displayed both wisdom and patience about this affair, and I should like to take this opportunity to say how grateful we are to them. Moreover, I am quite sure that this attitude will weigh extremely favourably in the debate which should take place in the National Assembly after the elections of 10 June next, probably at the beginning of the autumn session.

**President.** — I call Mr Baas.

**Mr Baas.** — (NL) Mr President, while we appreciate the reasons for the formal position adopted by the President-in-Office in his initial reply, I am particularly grateful to him for the remarks he made in his second reply about the difficulties in the French National Assembly. I have sufficient information about the position of the Netherlands Government. It was not our aim to force the matter, but simply to draw attention to the dangers which might arise if it came to a public confrontation with the attendant criticism, recriminations and so on.

I am fully aware that the people of Alsace are also calling for their voice to be heard on a project involving certain dangers, but in the final analysis it is the politicians and the authorities who will have to make a decision based on a detailed study of all the risks and dangers otherwise involved.

I hope that this debate has helped to make the various standpoints somewhat clearer. We for our part were not trying to force the matter, since this might have had a negative effect on the course of events.

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

10. *Enlargement of the Community*

**President.** — The next item is the debate on the report (Doc. 42/79), drawn up by Mr Pintat on behalf of the Political Affairs Committee, on enlargement of the Community — Part 2: sectoral aspects.

I call Mr Pintat.

**Mr Pintat, rapporteur.** — (F) Mr President, I now have the pleasure of presenting to Parliament the second part of the report of the prospects for enlargement, covering the sectoral aspects, which concludes our statement on the position of the European Parliament regarding the accession to the Community of three new Member States: Greece, Portugal and Spain. Although it is in two parts, it is nonetheless the intention of the Political Affairs Committee that this report should be seen as a single document, as the decision to publish it in stages was only taken for practical reasons, in particular to enable the first part to appear in time before negotiations with Greece entered the final phase. Indeed, the subject, the committee concerned and the rapporteur are the same for both parts. You will recall that at its meeting of 20 and 21 November 1978 the Political Affairs Committee, finding that some of the opinions from the other committees consulted were not available, decided to adopt the present report in two stages: a first part dealing with political and institutional aspects which has already been dealt with and a second on sectoral aspects which we have before us today. The aim was to enable Parliament to pronounce as soon as possible on the broad principles governing enlargement. Accordingly, on 18 January this year the European Parliament adopted the first part of this report on the political and institutional aspects of enlargement.

There is, however, a difference between the two parts of this report in that the Political Affairs Committee gave the committees which were to provide it with an opinion an undertaking that it would scrupulously respect their views. The rapporteur has therefore had a rather special task here since, in preparing the draft presented to the Political Affairs Committee, his hands were in a sense tied by the opinions of the other committees consulted.

## Pintat

Nonetheless — and I feel I must stress this point — it is actually a report by the Political Affairs Committee that I am presenting to you today since, despite what I have just said, which relates only to the preparation of the draft, it has been discussed, amended and adopted by our committee. The procedure I have just described explains the fact that this report has been set out in a rather analytic or methodical fashion, with a separate chapter for each sector corresponding to the eight opinions submitted by the Committee on Economic and Monetary Affairs, the Committee on Budgets, the Committee on Social Affairs, Employment and Education, the Committee on Agriculture, the Committee on Regional Policy, Regional Planning and Transport, the Committee on Energy and Research, the Committee on External Economic Relations and the Committee on Development and Cooperation. In giving a brief summary in this introduction, I shall keep to the chapter-by-chapter presentation in our report.

Thus, with regard to the economic and monetary problems, the Political Affairs Committee's report concludes that despite the encouraging prospects and long-term promise of enlargement we must be prepared in the short term to face difficulties which will be all the more serious because of the fact that the sectors that will be affected by enlargement, particularly Mediterranean policy, already pose problems in the Nine.

This means that it is all the more important to give attention to transitional arrangements, and I would remind you here that this problem has already been dealt with in more general terms in the first part of the report. These transitional arrangements will have to set out the conditions for bringing about the new Member States' compliance with the full range of Community rules. These conditions will have to be suited to the situation of each of the new Members without any systematic attempt to apply parallel treatment to them all.

The Political Affairs Committee, accepting the conclusions of the Committee on Economic and Monetary Affairs, expressed concern at the disparities in development between the applicant countries and the present Community average, because of which a particular effort will be needed to avoid a general weakening of the Community.

However, while aid must be given to the new member countries, it must be accompanied by efforts to achieve a reasonable rate of sustained growth, closer cooperation in economic, budgetary and monetary policies and a strengthening of the machinery for economic decision-making.

As regards the budgetary problems, it is clear that enlargement will mean above all an increase in the volume of Community expenditure. This does not mean that this new expenditure will not be accompanied by savings in certain sectors, but a realistic view

must be taken of the consequences of enlargement for the Community budget. In this respect the Commission should revise its financial forecasts concerning enlargement to take account of the dynamic aspects of developing common policies and of measures taken in relation to Economic and Monetary Union. There are two ways of looking at these dynamic consequences: either by simply adding in the contribution resulting from the accession of three Member States, or by taking account of the development potential resulting from the enlargement of the Community's economic area.

As regards the increase in the budgetary volume, we would ask the Commission to take account of this in putting forward its proposals concerning the ceiling on own resources.

Enlargement also implies greater economic solidarity among all the Member States, which means concrete proposals on financial questions, i.e. the creation of new financial instruments and of a special reserve, as called for by the European Parliament. This request was formulated on the occasion of the adoption of the report by the Committee on Budgets, presented by Mr Bangemann, on the Community's 1979 general budget. The aim would be to create a special reserve to deal with the problems of enlargement, from which funds could be allocated as need arose to this or that chapter of the operating budget. This extremely flexible instrument would be a way of dealing with the inadequacy of the existing financial instruments for coping under present circumstances with the consequences of enlargement.

The Political Affairs Committee found in the opinion of the Committee on Budgets the expression of a concern to which it attaches particular importance, i.e. the need to warn the Council and the Commission against resorting to non-Community or extra-budgetary means to cover the costs of accession. Apart from the question of upholding Article 199 of the Treaty, which requires all Community expenditure to be shown in the budget, any such measures would be particularly harmful in that they would create disparities between the Member States and, more generally, would introduce, on the accession of new Member States to the Community, an anti-Community element which would inevitably be seen as a feature of enlargement. The new Member States would thus run the risk of being regarded not as full members of the Community but as the beneficiaries of privileged forms of aid granted by the Community or its members.

The relevant chapter on the budget also contains a reference to the achievements of the Community. This does not, however duplicate paragraph 4 of this second part or paragraph 9 in the first part of this report as it is concerned with budgetary questions, which is precisely where these achievements are particularly important.

**Pintat**

As regards the problems of social affairs, employment and education, enlargement will affect countries suffering from an economic crisis in which industrial redevelopment is unavoidable, which means that the social problems and questions of training are of particular importance, and the motion asks that every effort should be made, both by using the existing financial arrangements and by exploiting the possibilities for revising or extending the provisions of the Treaty, to facilitate these changes.

With regard to the particularly important problem of migrant workers, those from the new Member States must be given the same advantages as citizens of the present Member States of the Community.

As regards the problems of regional policy, regional planning and transport, the emphasis is on the difficulties of enlargement for the Southern part of the Community and what is wanted is the establishment of a proper 'Southern plan' aimed, on a medium-term basis, at developing industrial and social infrastructures in the Mediterranean region.

Special reference is made here to the case of Portugal, in view of the particular difficulties facing that country. The Commission is asked to submit proposals to the Council for granting Portugal financial aid and technical assistance.

As regards the problems of energy and research, I shall not dwell on the difficulties the Community is experiencing in working out a proper energy policy or the fact that enlargement will only accentuate its inability to make progress in this field — we shall be discussing this at greater length this afternoon. Spain, as the only applicant country pursuing a nuclear power programme, should be given aid to encourage it to persevere in this direction — provided, of course, it complies with the provisions of the Euratom Treaty and the Nuclear Arms Non-proliferation Treaty.

In all the applicant countries, however, Community policy must be to reduce their energy dependence. Support must be given to the modernization of domestic energy production, particularly in the coal sector, and in the case of Portugal special aid will be needed to speed up the process of electrification, which is a pre-requisite for the country's industrialization.

Enlargement will have consequences regarding the Community's trade relations at all levels. The links it maintains with all the associated countries, as well as those which depend on its overall Mediterranean policy, will be particularly affected.

That is why the Commission must be particularly vigilant in this respect, so that it can modify its forecasts and proposals as the negotiations progress.

Special mention is made here of Turkey, which is in an extremely serious economic situation and has seen a considerable deterioration in its balance of payments

and its trade balance with the Community. This point is of particular importance in view of the Community's commitments towards Turkey and the recent Commission proposals for granting special aid to this country.

In welcoming three new Member States, the Community must not neglect its development policy, which remains an essential element of its relations with the countries of the Third World.

Particular attention will be necessary on the part of the Community institutions and the Member States to ensure on the one hand that direct development aid continues to increase steadily and on the other hand that there is no decline in the Community's imports under its development policy of agricultural products similar to those from the applicant countries.

It goes without saying that the European Parliament will be especially vigilant in ensuring that enlargement does not adversely affect the terms of trade between the Community and the ACP countries currently being negotiated within the framework of the second Lomé Convention.

Finally, to conclude a presentation which has been somewhat technical but involves problems that are unquestionably of vital importance, I should like to make the following general remark. This second part of the report on the prospects for the enlargement of the Community belies the fears that there would be a radical difference between the first, excessively optimistic, part of the report on the political and economic aspects and a much more realistic second part which would be more pessimistic in tone.

Firstly, it can be seen that there is a remarkable continuity between the two texts: the political will exhibited in the first part had already been tempered by a number of warnings and proposals for particular mechanisms and gradual adjustments. The same warnings and the same adjustment proposals are to be found in the second part, with further technical details regarding the particular sectors. But in all the opinions from the committees consulted enlargement is seen as a positive step and a milestone in the history of the Community, even though this enlargement is expected to give rise to considerable difficulties.

In other words, the Political Affairs Committee has had the proper approach to the problem of enlargement and has demonstrated in realistic fashion its determination to welcome into the European Community three states, three nations which have always belonged there but which dictatorship had kept outside. Now that these three countries, these three nations have regained their freedom, it seemed to us that the most important thing was to recognize them as our kin and assure them of our fraternal support in a Community which, besides being economic and European, is above all a democratic Community.

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

**Mr Hoffmann.** — (*D*) Mr President, we are now once again discussing the question of the enlargement of the European Community to include the three applicant countries Portugal, Greece and Spain, and as we can see from this very well-documented report a whole host of problems are involved. I do not want to go into this report in all its aspects but should like to take up particular chapters and refer in particular to the sections on regional policy and agricultural policy. To start with, let me remind you of a few figures to bring out the circumstances and the associated problems of this enlargement of the European Community.

Firstly, of the people who will be joining the Community some 34 million have an average per capita income which corresponds to the present level in the Mezzogiorno. The three new countries represent, with 53 million inhabitants, 21 % of the population of the enlarged Community, but produce — and this is likely to be a key factor — only 10 % of the gross domestic product of the 12 Member States. The difference in living standards between the nine old Member States and the three new ones is considerable. To draw a comparison, if we take a basic of 100 % for the present Community, the figure for Greece is 44 %, for Spain 54 % and for Portugal as little as 32 %. A fundamental structural indicator is the proportion of the population employed in agriculture, and in the three candidate countries this is particularly high. The figure there is between 23 and 36 %, whereas in the European Community the average is 9 %. Add to this the contribution of agriculture to the gross domestic product, which in these countries is between 14 and 19 %, and I think the structural difference between these three countries and the old Member States is sufficiently clear. For me, however, the most disturbing feature is the differences in incomes.

The European Community has been in existence now for a good 20 years and started with a difference in living standards of 1:4 between the poorest and richest regions. Now this ratio is no longer 1:4, but 1:6 or 1:7. That means that even the old Community has been unable to do anything to reduce its regional imbalances and that on the contrary these imbalances have become even greater, which is completely contrary to the objectives of the Treaties.

Extending this to the accession of these three countries means that this ratio of 1:6 or 1:7 will become a ratio of 1:12 — and here you see the whole enormous scale of the problem.

I think, therefore, that as a result of the accession of these three countries Community policy will have to

be substantially changed in at least two fields, i.e. firstly the whole taxation and regional policy and secondly agricultural policy. I should like briefly to go into these two points.

Firstly the regional policy aspect. We shall, of course, have a liberalization of trade with these three countries, which will mean, initially, benefits for the consumer goods industry and, in a second, somewhat later stage, for the capital goods industry. This raises the question of who will be the first to benefit from this, and the simple answer is that in the first instance the modern Community industries are naturally a step ahead. This then means that the process of concentration in industry will be further accelerated by accession. This process favours the modern industrialized regions at the expense of the less well-equipped regions — thus, for example, the Federal Republic of Germany, the Netherlands and parts of the United Kingdom and France will benefit economically from this enlargement more than weak regions of the Community.

This does not apply to all sectors. A distinction obviously has to be made; for example, what I just said clearly does not apply to the textile industry, or to the footwear industry, or to the steel sector. We must make a distinction here, but on the whole the fact is that it is the others who will be the first to reap the biggest advantage. I conclude from this — and this reflects the thinking of the Socialist Group — that in the context of enlargement we must give much more serious consideration than hitherto to how to put the transfer of resources into effect. How can we bring about a redistribution of wealth within the Community?

Unless we make a serious attempt to solve this problem, we shall find we have laid the foundations for the continuing existence, in the foreseeable future, of a poorhouse in this Europe of the Twelve, consisting of the weak regions of the applicant countries and those of Italy and France, plus a few Northern areas, while in contrast there will be the prosperous, industrially strong areas, which will continue to be increasingly successful.

I cannot imagine that the citizens of the applicant countries see this as their objective. They will say, of course, that they want above all to join the Community for general political reasons. We should, I think, fully respect this desire, and my Group declares its recognition of this political priority. At the same time, however, we must take a firm attitude towards the problems I have mentioned, on which I should like briefly to add a few remarks.

Let us look for a moment at the question of agriculture. Here too, the situation is uneven.

**Hoffmann**

There will be an advantage for the Northern products in the Community because these products will now be able to penetrate a larger consumer area. Conversely, however, the Portuguese, Greek and Spanish products will face very strong competition from the products from Southern Italy and the South of France. The effect here is thus not to extend the consumer area but to intensify competition.

Here too there are substantial problems which we should keep in mind, for I have the impression that up to now some of these questions have been rather too much in the background. To draw a preliminary conclusion: the enlargement of the European Community to include the three applicant countries will benefit in the first instance the industrial regions and certain agricultural regions in the North of the Community and will pose a large number of problems for the South and for the applicants themselves.

In terms of regional and agricultural policy, therefore, I would say that enlargement cannot simply be regarded in every respect as politically desirable.

Instead, full account must be taken of the Community's responsibility, i.e. there must be serious discussion on the question of the transfer of resources. The less progress we make in solving the agriculture question, the worse this problem will become, for then, with the high proportion of the population engaged in agriculture in these countries, we can expect there to be a continuing process of migration from the agricultural regions into the industrial and urban areas although no industrial jobs are available. The overall economic situation at present is such that greater expansion is simply not possible, and we also know that the prospects for creating additional jobs are clearly not very good. This means that in so far as the agricultural problems remains unsolved no improvement can be expected on the regional and industrial front, and it seems to me that there is still insufficient awareness of this correlation.

I should perhaps say something about the extent to which these three countries are prepared with regard to regional policy. Here, I think we have varying standards: in Spain there is clearly a greater degree of regional planning than in the other two countries. In Portugal, I was able to see that great progress was being made in regional planning. In northern Portugal, for example, I saw how considerable work had been done in the past two years, so that I expect we shall very shortly be able to give assistance here for proper regional and infrastructure programmes.

I see a problem in this, however: namely that on the part of Europe and on the part of the national government this idea may well be recognized as useful and that declarations are made accordingly, but that in practice, apart from bilateral contacts, hardly anything happens. The example of Portugal has, I think,

demonstrated this. More than any other country, Portugal needs direct help from the Community. But the flow of aid is very very sparse. It will be no wonder if at some time in the future there is then a sort of partial economic collapse, which will obviously also have political consequences. We may all then deplore what has happened, but we have a certain responsibility for it. I wanted to draw particular attention to this point because I think we ought, with all our fine words, to give a little more thought to the consequences.

Ladies and gentlemen, to bring together these two points I think Parliament should decide — with regard to regional policy — to aim at taking concrete aid measures in the following fields.

Firstly, we should help promote more intensive development of water supplies irrigation and afforestation than has hitherto been considered.

Secondly, we should aid the development of power supplies and the transport infrastructure as a basis for attracting companies in the industrial and services sectors.

Thirdly, there should be support for the development of the social infrastructure.

Fourthly, we should encourage the creation of investment opportunities for the industrial and services sectors — taking account of the special significance of tourism — with the aim of creating new jobs.

Fifthly and lastly, we should support the efforts of the national, regional and local administrations to implement an effective regional policy involving the various social groups.

That is a sort of catalogue of the regional policy measures which should be put into effect without delay.

The other area I mentioned, i.e. agricultural policy, can clearly not be organized for these three countries alone. The key question here is rather how far we are prepared seriously to tackle the question of agricultural reform here in the European Parliament, which will shortly be a directly elected body.

In conclusion, I would venture to predict that if we do not succeed in reforming the agricultural policy in such a way that we avoid repeating the same errors and subsidy schemes as we have had in the north, and unless we recognize that this is a question of structural policy, we shall only consolidate an adverse regional trend in this Community, for after a few years the new member countries will then find that they have become poorer or at least remained poor, while other parts of the Community have become richer. I cannot think that this is in our political interests.

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



**Mr Bertrand.** — (NL) Mr President, let it not be said, after my fourth speech here in my last week as a member of this Parliament, that I have not remained to the last at my post in the struggle for European unity. It is thus a great pleasure for me, in my capacity as chairman of the Political Affairs Committee, to be able today first of all to thank Mr Pintat most sincerely for an outstanding achievement. He has managed after all, under difficult conditions, to present a report to Parliament before we are superseded by the directly elected Assembly. This report voices our concern, following the enthusiastic approval given to the accession of the three applicant countries that this accession should take place in a balanced fashion.

I should also like to include Mr Natali in my thanks, since he has already achieved results in negotiations on the accession of Greece, which is to take effect on time, in accordance with the original programme. One of the three is thus already in the process of preparing to initial the Accession Treaty. Greece thereby becomes subject to the ratification procedure in the various parliaments before it can join the Community as a full member.

If I may say so, Vice-President Natali played a very important part in this and I should like, on behalf of the Political Affairs Committee, to express our gratitude to him.

I do not intend to make a long speech, but I would like to draw attention to certain social aspects connected with the enlargement of the Community to 12 members. In Mr Pintat's first report, we had an opportunity of expressing our concern at the nonchalant attitude of the Community institutions, which have failed to take the necessary measures in time to strengthen our institutions in preparation of enlargement. What progress has been made on a return to decisions by a qualified majority in the Council? What is the position on preparations for this? For that was one of the conditions that Mr Jenkins himself emphasized, a sine qua non for the Community's continued existence after enlargement. We have heard nothing about this. We have heard nothing about any new initiatives. We are very seriously concerned at this, for unless this question is settled in good time before the accession of the three I shall really be very worried about the future of the Community. I should therefore like once again to stress this point.

A second problem that I find a cause for great concern is the socio-economic situation in the three new member countries. At present there are 6 million unemployed in the Community, 5.5 % of the working population. Looking at the figures for unemployment in the three new member countries, I see that in 1977 830 000 people were out of work in Spain, which corresponds to 5.3 % of the working population, the same level as in the Community.

In Greece there are some 100 000 unemployed, which corresponds to 3 % of the working population, and in Portugal 500 000, corresponding to 15 % of the working population. That means, then, that there are at present a total of 1.4 million unemployed in the three countries. Adding this figure to the 6 million in the Community, we shall thus have 7.4 million unemployed on our hands. I wonder whether, in economic terms, the three new Member countries are in a position to guarantee these unemployed workers the necessary income. Can their industry bear this burden? Or will there not be a need for an initial act of solidarity on the part of the Community in order to find a solution to this problem.

There is also the question of how, on the accession of the three countries, we can bridge the differences in incomes, living standards and working conditions and solve the question of the free movement of these workers.

In the negotiations with Greece provision has been made for a transitional period of 7 years, which ultimately comes down to 5 years before free movement of workers from Greece can be put into effect. Considering that a precedent has been created with regard to Greece, the same transitional period will probably have to be granted for the free movement of Portuguese and Spanish workers when Portugal and Spain join the Community.

Will the Community be able to make the necessary effort to eliminate the differences in wages and incomes and adjust working conditions to the Community level in good time so that those concerned will in fact find, when their country joins the Community, that they did well to apply for membership and that this has led to a general improvement for them?

Social policy has already fallen far behind in our present Community and in the social field far less has been achieved than in the economic field, because the Treaty of Rome offers far too little scope for pursuing an effective social policy. How are we then to tackle these new complex problems?

To start with, we must recognize that on the question of social policy the Treaty of Rome is unsatisfactory, that the relevant provisions in the Treaty are inadequate. Pending modifications to the Treaty, we shall clearly have to make use for enlargement of the opportunities under Article 235 of taking a number of measures not provided for in other sections of the Treaty of Rome in order to pursue an effective social policy. That is the first point to which I should like to draw attention in this debate.

The Christian-Democrats also support the view that the establishment of a Community Economic Programme can be put off no longer. For this, the European Social Fund, the European Regional Deve-

**Bertrand**

lopment Fund and the Guidance Section of the EAGGF will have to be modified and will have to be provided with the necessary resources so that they can make a serious attempt to deal with the problems arising from the accession of the three new States.

The European Social Fund in particular must be given an opportunity of contributing to the creation of new jobs. It must become a genuine instrument of employment policy, whereas at present it merely has a complementary social role to play vis-à-vis those who are affected by unemployment. I think we should insist that the Council and the Commission pay special attention to this in future negotiations. In creating new jobs with the help of the European Social Fund, attention will have to be concentrated above all on the creation of jobs for young people and women, the two worst affected categories, both here and in the applicant countries. I think, therefore, that at the same time as extending the powers of the European Social Fund to cover the field of employment we shall also have to tackle the problem of vocational training, and that ultimately we shall have to give support to those areas in the new Member States which are more seriously affected by unemployment than various regions in the Community.

Those, Mr President, are a few aspects to which I wanted briefly to draw attention. I should also like to point out that at present there are six million workers employed in the Community who are not Community citizens. Of these six million, 4.5 million come from third countries and 1.5 million from the three countries which have applied for membership.

The 1.5 million Spaniards, Greeks and Portuguese already working in the Community should not, in our view, have to wait until the end of the transitional period before being granted the advantages enjoyed by Community workers. They must, as far as social benefits are concerned, be treated on an equal footing in anticipation of the final accession of their countries, for which a transitional period of five years is envisaged.

The Christian-Democrats want these 1.5 million workers to be included as of now in the system of social provisions for Community workers.

Finally, in view of the importance of the social problems connected with the enlargement of the Community, I should like to urge most strongly that the Council and the Commission should closely involve the two sides of industry in discussions and preparations for negotiations with the applicant states, so that we can avoid being faced with insurmountable difficulties later. They must be given a chance of putting forward their anxieties, suggestions and proposals so that, in consultation with the social partners, solutions can be found to all the social problems, thus opening the way to a balanced development of the enlarged Community.

**President.** Mr Bertrand, since you said at the beginning of your speech that you wished to serve Parliament and remain at your post until your final departure from this House, I may say in reply that in all the years during which we have worked together you have always provided us with a shining example of how to serve the common cause, of personal effort and commitment, and also of the idealism with which you have always pursued the cause of Europe. This is not yet the proper moment to wish you farewell, but I felt I must reply for all the Members of this Assembly by saying that we shall miss you in future. I wish to thank you most sincerely for what you said, not least in your capacity as chairman of the Political Affairs Committee.

*(Applause)*

11. *Agenda*

**President.** At the request of Mr Mitchell, I propose that the two Flämig reports (Docs. 74/79 and 54/79) be interchanged.

Since there are no objections, that is agreed.

The two Ripamonti reports on today's agenda will be considered after the second Flämig report.

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

The House will rise.

*(The sitting was suspended at 1.10 p.m. and resumed at 3.10 p.m.)*

## IN THE CHAIR : MR COLOMBO

*President*

**President.** The sitting is resumed.

12. *Question Time*

**President.** The next item is the second part of Question Time (Doc. 142/79).

We begin with the Questions addressed to the Council.

I call Question No 18 by Mr Radoux :

With the election of the Members of the European Parliament by direct universal suffrage to be held on 10 June 1979, could not the Ministers make an effort to bring to a successful conclusion the long drawn out negotiations on the issue of a European passport to the citizens of the Member States of the Community ?

Is it true that one of the questions still to be solved is whether, depending on the geographical location of the place of residence of the nationals concerned, the word 'Community' should precede or follow the name of the Member State on the passport cover ?

## President

If so, it could be argued that, while the Community safeguards the future of our countries, it was the Member States which created the Community.

As a gesture of goodwill, could not the majority accept the position of the minority thus allowing the problem to be settled in the interests of our people?

**Mr Bernard-Reymond**, *President-in-Office of the Council*. — (F) There is doubtless much to be said for measures symbolizing European integration in view of the election of the Members of the European Parliament by direct universal suffrage and the creation of a uniform passport might well constitute such a measure. However, the adoption of such a measure presupposes resolving certain points concerning the languages in which the details on certain pages of the passport are to appear, the presentation of the passport cover and the legal form and basis of the act introducing the uniform passport.

Successive Council presidencies have spared no effort in attempting to resolve the deadlock. I am, however, obliged to record that, despite all such efforts, that dossier is still no further forward.

**Mr Radoux**. — (F) Would the President-in-Office of the Council firstly inform the House why there has been such a delay in putting a useful idea of this kind into practice and secondly, whether or not he thinks that the time when the people of Europe preferred struggles for a symbol to a practical decision to issue them with a uniform passport has passed, even if the cover is not to the taste of all the national and European bodies involved?

**Mr Bernard-Reymond**. — (F) I can fully understand your impatience and even irritation at the fact that a problem which would appear extremely straightforward or even trivial has been coming up against these difficulties for months and even years on end. However, you should not think that this is a simple question of presentation or that the discussions in the Council are being conducted at a level where a dossier of this kind can be blocked by mere technicalities. There are certain more basic questions which it has not as yet proved possible to solve.

This is why I cannot at this stage be more specific regarding the date on which a passport of this kind might be introduced. Nevertheless, I must add that, as you know, this passport would not make much difference within the Community since it is already possible to travel from one Member State to another without a passport.

**Mr Ellis**. With regard to the practical difficulties, and speaking from the point of view of the travelling European public, could the President-in-Office say whether the Council of Ministers has a view as to the advantages or disadvantages in practical terms of the present system as compared with the proposed system?

**Mr Bernard-Reymond**. — (F) As I said just now there is no practical difference since one can already

cross the border between two Member States without a passport. Consequently, this is not the kind of obstacle which we have to overcome. The real problems are legal and technical difficulties which go beyond those you have just mentioned.

**Mrs Dunwoody**. Is not the President-in-Office of the Council therefore suggesting that this is just a gesture without any real practical use? Could he tell us what is the attitude of the various immigration authorities and police authorities to the suggestion that there should be a unified document? Will this not really make life more complicated?

**Mr Bernard-Reymond**. — (F) This question is not one which has been decided in the Council so far, but I suppose it is another difficulty which could arise. However, I can also point out that we do not regard the symbolic significance of a document of this kind as unimportant.

**Mr Schyns**. — (F) I am surprised to hear the President of the Council state that one can travel from one country to another within the Community without a passport. Mr President, I invite you to come to my home town which is on the Belgian-German border and you will see that everyone crossing the border is asked to show their passport. There are passport controls on all international trains. I really do not understand how you can say that there is no longer any need for a passport in order to travel from one country to another. If what you say is true, I wonder why we are finding it so difficult to introduce a European passport.

**President**. — I have no wish to depart from the principle whereby the President does not take part in the debate, but I should nevertheless like to point out that the President of this House himself has to show his passport when travelling from one country to another.

**Mr Bernard-Reymond**. — (F) I think this is a terminological mix-up. Citizens who have an identity card do not need to show their passport at the internal borders of the European Economic Community. That is what I said. Since we are talking about personal experiences, I can assure you that I have been able to cross the internal borders of the Community with my French identity card without for this reason drawing particular attention to myself.

(Laughter)

**Mr Blumenfeld**. — (D) I should like to suggest that the President of the Council puts himself in the position of the ordinary man in the street and rids himself of the idea that the ordinary citizen has the same experiences as he and his fellow ministers when travelling from one country to another. In our view, the legal and practical problems which, as you have pointed out, have so far been an obstacle to the introduction of a European passport are not the most important thing.

**Blumenfeld**

I should therefore like to ask you whether the Council of Ministers is prepared to recognize the political significance of a European passport and finally get down to brass tacks now that we have spent five years talking about the colour and suchlike.

**Mr Bernard-Reymond.** — (*F*) I am fully aware of the great symbolic value of the introduction of a European passport. Having said that, however, I must point out that certain problems remain unsolved and, furthermore, the growth of terrorism in Europe has not made matters any easier. For this reason, the Council must devote the necessary attention to these matters. The political will reach a solution and the present debate can only encourage the members of the Council to move in the direction you desire.

**Mr van Aerssen.** — (*D*) What is actually preventing the Council from understanding that in addition to being a valuable symbol, a European passport would be a first step towards a European citizenship which, in an initial phase, could exist alongside national citizenship?

**Mr Bernard-Reymond.** — (*F*) The reason why the Council is unable to understand what you have just said is that what you were referring to is not the problem and you are confusing two questions which have nothing to do with each other!

**Mrs Dahlerup.** — (*DK*) Does the President of the Council realize that, as a non-French citizen of the Community, you cannot even, for example, drive along a French road without carrying a passport? Does the President of the Council realize that when a check is carried out on a French road — which is something independent of one's own volition — you are asked to show your passport and it is examined very carefully? Does the President of the Council also realize that this can be a source of greater inconvenience than having to show your passport every time you go from one country to another within the Community?

**Mr Bernard-Reymond.** — (*F*) Mrs Dahlerup, if your passport is checked when you are in France it is because there is no Danish identity card. It is true that each of the Member States likes to be able to identify persons driving on its territory but France has never stipulated that one must actually show one's passport at an identity check. An identity card such as we have in France would certainly be adequate.

**Mr Fletcher-Cooke.** — Everyone understands the police and terrorist difficulties involved in this problem, which were pointed out quite rightly by Mrs Dunwoody, but what alarms us is the answer of the President-in-Office, who said that the Council of Ministers had not yet got down to discussing that problem. Does not the Council of Ministers, does not

the President, have some power of initiative in this matter, and would the present occupant of the Chair not give us an undertaking, that he will at the next meeting of the Council of Ministers initiate an in-depth discussion of the police and terrorist difficulties which, we all admit, are involved in this problem?

*(Applause from the European Conservative Group)*

**Mr Bernard-Reymond.** — (*F*) I never said that this question had not been discussed within the Council. I said that no solution had been found, which is a very different matter.

As things stand, I must say that it would not be advisable to discuss this matter again as soon as you suggest since there have been no further developments as regards the problems which arose last time it was discussed.

**Mr Brugha.** — If we are going to have continual delay in arriving at some sort of a solution to this question, in view of the symbolic value and of the obvious fact that possession of a common passport would at least facilitate movement from member country to member country, would the President-in-Office not consider raising this question again in the Council, if necessary getting a majority view, and permitting those Member States that are willing to adopt a Community passport to do so?

**Mr Bernard-Reymond.** — (*F*) How could the introduction of this European passport facilitate movement within the Community?

**President.** — I call Question No 19 by Mr Howell:

Does the Council intend to agree any measures which would sacrifice the Community's turkey producers, in the interests of whisky and cognac exporters?

**Mr Bernard-Reymond, President-in-Office of the Council.** — (*F*) The Council considers that the arrangement on turkey meat concluded with the United States fully safeguards the interests of producers in the Community. The only concession that has been made concerns fresh, chilled and frozen turkey cuts. These are subject to Community import levies, which will be adjusted in accordance with the levies on whole turkeys. This concession means a reduction in the levy varying from 3% to 17% according to product. No concession has been made regarding these turkeys, which are not subject to levies but only to customs duties. These products will in fact be covered by the second part of the arrangement with the United States, which is intended to take account of the problems of Community producers. The Community would regard it as an intolerable situation if United States exports of *all* types of turkey meat (i.e. fresh and frozen as well as prepared turkeys) were to exceed the average level for 1977/1978. Should this

**Bernard-Reymond**

arise, however, the United States and the Community have agreed to hold talks to find a solution to the ensuing problems on the Community's turkey market.

**Mr Howell.** — Has a quantitative restriction been placed on the overall imports of turkey meat, restricting it to the 1977/1978 level? Could I have a definite assurance on that fact, and can he give me a further assurance that the interests of my constituents will not be jeopardized in any way by the agreement which has been entered into?

**Mr Bernard-Reymond.** — (*F*) One cannot really describe the measures I have just mentioned as quantitative restrictions. As you know, and as I have just reminded you, the United States and the Community have agreed to hold talks with a view to finding a solution to any problems arising on the turkey market. However, the measures taken and agreements concluded so far cannot be regarded as quantitative restrictions.

**Mrs Dunwoody.** — Does this welcome change mean that in future we shall be able to import other meats more cheaply from outside the Community? Is this at long last a tiny chink of light in the eternal darkness of the common agricultural policy?

(*Laughter*)

**Mr Bernard-Reymond.** — (*F*) This is a completely different question from the turkey problem and a much broader issue to boot. I will merely say that we are continuing to consider this subject, but so far there has been no change in the situation. I can inform you, since this is a very recent development, that we are examining the possibility of extending the quotas for certain ACP countries under the Lomé Convention.

**Mr Scott-Hopkins.** — Does the acting President-in-Office not realize that if the 1977/78 total of imports into the Community of turkey meat is exceeded while talks are being held, damage will be done to the industry, not only in the UK but elsewhere. The existing balance is very delicate, and time does not allow for lengthy talks. Could not the Minister be a little more explicit on that? Could he also tell us what concessions he has wrung out of the United States concerning export of whisky and cognac, or is it yet again all giving on this side and nothing being given on the other?

**Mr Bernard-Reymond.** — (*F*) As I said just now, if the levels for 1977-1978 were to be exceeded, a consultation procedure would be put into operation in order to prevent the difficulties to which you refer. I should also like to point out that in its negotiations, the Community has never agreed to sacrifice certain economic sectors in the interests of others, which is

what you were implying when you mentioned whisky just now. Indeed, the Community has endeavoured to safeguard all the interests involved and only agreed to those concessions which it felt acceptable for each of them.

Finally, the negotiations form a unified whole and must be seen as such, from the point of view both of the advantages obtained and of the concessions made. The concessions obtained by the United States as regards whisky and cognac cannot be regarded as having been granted in return for the turkey arrangement, but simply from part of the negotiations as a whole.

**President.** — At the author's request, Question No 20 by Mrs Ewing will receive a written reply<sup>1</sup>

I call Question No 21 by Mr Osborn:

What initiatives have been taken to strengthen the bonds between the Falkland Islands and the Community, in view of their relationship with Great Britain, in the fields of aid and trade, and with particular reference to fishing opportunities in Falkland's waters?

**Mr Bernard-Reymond, President-in-Office of the Council** — (*F*) I am pleased to note that the honourable Member has not failed to take me up again on the measures taken by the Community in favour of the Falkland Island and their dependencies, as he warned me he would do at the sitting of 17 January.

I can give you some further details today. Firstly, as regards Community aid to associated overseas countries and territories in application of the Council Decision of 29 June 1976, the competent authority, i.e. the United Kingdom, had proposed that 18 000 EUA should be allocated for measures in the hospital sector. I have just been informed that the Commission which, in close collaboration with the Member States, is responsible for the management of the European Development Fund, intends in the very near future to propose the allocation of 26 000 EUA, i.e. slightly more than the figure originally provided for in the draft aid programme, for the purposes of equipping the surgical block of the King Edward Memorial Hospital. After the necessary procedures have been completed, it should be possible to take the decision for financing before the summer holidays.

Secondly, there are the measures which might be taken in the field of fishing. I can inform you that the Council has not received a proposal from the Commission on this subject.

**Mr Osborn.** — I thank the President-in-Office of the Council for being better prepared than he was in January and I welcome the fact that 26 000 EUA have been allocated to the Falkland Islands. But as he

<sup>1</sup> See Annex.

**Osborn**

knows, the people of Falkland Islands, and of other islands in the South Atlantic, wish to retain their links with the mother country, in this case with Great Britain rather than with Argentina. This has obviously been the subject of delicate negotiations involving a government that has not been re-elected in Great Britain.

What steps have been taken to discuss with the islands in the South Atlantic and countries on the Atlantic coastlines of South America and South Africa the development of fishing opportunities? There have been many discussions on fishing opportunities for European fishing fleets as a result of difficulties in Iceland and elsewhere. This is a practical step that could be taken by the Community and it is to be regretted that very little further advance has been made since January.

**Mr Bernard-Reymond.** — (*F*) Unfortunately, in the absence of a common fisheries policy, it is impossible to solve this problem at this stage. However, I hope a common fisheries policy will enable us to make progress in this matter.

**President.** — I call Question No 22 by Mr Kavanagh :

What impact does the Council expect the entry of Greece into the Community to have on current policies on sheepmeat, and will it call on the Commission to study the situation immediately?

**Mr Bernard-Reymond, President-in-Office of the Council.** — (*F*) The effects of Greek entry on the sheepmeat policy being pursued at present should not be very marked. Nevertheless, it was thought advisable and necessary to consider whether the common organization of this market might pose a problem when Greece and possibly Spain and Portugal acceded to the Community. Accordingly, in the context of the present examination of the Commission proposal for the common organization of the markets in sheepmeat the Council was interested to note the Commission's opinion, supported by figures, that the accession of Greece, Spain and Portugal would not cause any major disturbance in the balance of the Community market, since the Community deficit would remain at about the same level and since the market prices in the candidate countries were higher than the Community average. When the common organization of these markets is implemented, the Council will not fail to take into account, as the European Parliament's Opinion stressed, the extent of sheepmeat and goatmeat production in Greece and in the two other candidate countries and the possible effects of enlargement on the aforementioned common organization of the market in sheepmeat and goatmeat at present being considered.

**Mr Kavanagh.** — Does the President-in-Office not agree that it would be in the best interests of the applicant countries, as well as of sheep producers within the present Community, for a market organization in sheepmeat to be set up as soon as possible. A request was made as far back as 1973 by myself and others in this House that this be done. Would the President-in-Office not agree that the Commission has dodged the issue, and that it is now time for this decision to be made?

**Mr Bernard-Reymond.** — (*F*) The question you have brought up is one which presents considerable difficulties within the European Economic Community. As you know, there is at present no common organization of the market in sheepmeat particularly because of the great differences in production costs between various countries, notably the United Kingdom and France. As you also know, the Court of Justice is currently examining a reference and has not yet pronounced on the matter.

Consequently, we should be extremely reserved in this matter pending the decision of the Court. It would undoubtedly be very difficult to introduce a common organization of the markets since the product and marketing conditions in the various countries are substantially different and since certain countries have extremely advantageous links with third countries in this type of trade.

**Mr Scott-Hopkins.** — In view of these rather lengthy negotiations, can the President-in-Office say whether the Council is aware of the urgent need to come to a conclusion? Will he reaffirm that the import of New Zealand lamb into the Community, and particularly into my country, the United Kingdom, will be accepted by the Council, as it has been by this House, at the continuing levels that have been agreed?

**Mr Bernard-Reymond.** — (*F*) I can assure you that the Council fully realizes the importance and urgency of this problem, particularly for the reason I have just mentioned, namely the proceedings before the Court of Justice. Nevertheless, it has unfortunately not yet been possible to reach agreement among the Nine on this matter, but I can assure you of the Council's goodwill as demonstrated by the fact that the Ministers of Agriculture of the Nine were discussing this question only yesterday.

**Mr Howell.** — May I support Mr Kavanagh in his request for an overall Community organization for sheepmeat. The President-in-Office says that this is a difficult problem. All these problems are difficult; but is it not about time that we faced up to solving some of these difficult problems and started to create a real common agricultural policy?

**Mr Bernard-Reymond.** — (*F*) This problem is even more thorny, complex and difficult than the others.  
(*Laughter*)

**President.** — I call Question No 23 by Lord Bessborough :

Why has the first meeting of the EEC-China Committee, planned for 3, 4 and 5 May 1979, been postponed?

**Mr Bernard-Reymond, President-in-Office of the Council.** — (*F*) The first meeting of the EEC-China Joint Committee, set up under the 1978 Trade Agreement, which should have been held in Peking at the beginning of May, has been postponed by common accord of the Commission and the Chinese authorities.

While it was prepared to hold the meeting on the planned date, the Community informed its partner that it would welcome some additional time to study some of the questions arising in EEC-China relations more closely so that the first meeting of the Joint Committee could be held under favourable conditions. These questions relate in particular to the examination of the problems posed by liberalization, China's request to become a beneficiary of the Generalized System of Preferences and the negotiations concerning textiles.

The reasons why the two parties considered it preferable to postpone the Joint Committee's first meeting were therefore purely technical. The postponement is clearly only to be short, as the meeting is to be held in the near future.

**Lord Bessborough.** — In view of the fact that the first meeting of the Japan-China Joint Committee on Trade took place in October 1977 — over a year and a half ago — and since then has met frequently with working-parties for the promotion of China's oil, coal and steel in Japan, could not the Council perhaps instruct, or at least suggest to the Commission that they should consult with appropriate leading Community firms in order to enable China to sell raw materials to the Community? Would that not be a way of enabling China to earn hard currencies? I hope that might be a consideration that will be borne in mind by the Council, and think that notwithstanding the delays, which may even have been partly due to the People's Republic, this is a matter which should be given very profound consideration.

**Mr Bernard-Reymond.** — (*F*) You mentioned the way in which the Commission could play a part in coordinating or assisting firms in trade with China. I think the discussions we have had since 3 o'clock have shown that there are already numerous problems before the Council and it does not intend to take on further problems involving private firms. We fully respect their freedom and initiative, including their initiative in trade matters and particularly the Chinese market.

Having said that, we certainly hope that those private firms which wish and are able to do so will adopt an attitude to China such as to permit us to restore the balance of trade between the European Economic Community and that country.

**Mr Kaspereit.** — (*F*) Mr President of the Council, I did not hear your first statement very well and I hope you will excuse me. However, I should like to know whether there is any truth in the rumours that the Council intends to instruct the Commission to make the People's Republic of China a beneficiary of the Generalized System of Preferences. I have my own personal views on this question, but I should like to know whether or not you, Mr President-in-Office think this could be dangerous and perhaps even disastrous for our future relations with China.

**Mr Bernard-Reymond.** — (*F*) China has in fact made a request to become a beneficiary of the Generalized System of Preferences but no decision has as yet been reached in the Council.

**Mr van Aerssen.** — (*D*) I am sure it will not have escaped the attention of the President of the Council, that the United States concluded four substantial technological agreements with China yesterday regarding cooperation in science and research, oceanography, meteorology and fishing, which go far beyond what France, for example, agreed in its own technological agreement with China. For this reason, I should like to ask whether or not you agree that it is high time that the Council and Commission together — in accordance with the wishes of this House — developed an overall strategy with a view to establishing overall cooperation with China so that the individual Member States will finally stop going it alone and enter into relations with China on the basis of Community foreign trade, as China itself wishes.

**Mr Bernard-Reymond.** — (*F*) If the information I have received is correct, the agreements to which you refer were signed yesterday. You will therefore understand that we cannot give you a detailed analysis yet, but I can assure you that the points you have just raised will be taken into account when we come to examine these documents.

**Mr Fletcher-Cooke.** — Is the President-in-Office being quite frank about this? Is it really the case that there were purely technical difficulties in meeting this deadline? Is it not more the fact that there could not be agreement among the various Members of the Nine in presenting a common front on this matter, and if so does not the President-in-Office think that the postponement, which was of course agreed by the Chinese — they could do no less, — was really at the instigation of Europe, and will it not in fact be viewed as something of an affront by the Chinese?

**Mr Bernard-Reymond.** — (*F*) I know that you will not doubt my sincerity, so I am sure you will believe me when I tell you that it will be better if we have something really substantial to work on, and this is what we have always had in mind when considering the possibility of these negotiations with China. However, I repeat, it is purely for technical reasons that we have decided by common accord to postpone the meeting.

**Mr Fitch.** — Would the President-in-Office not agree that when this meeting does take place, note will be taken of the growing Chinese textile industry? I hope that this will not mean a considerable increase in textile imports into the Community.

**Mr Bernard-Reymond.** — (*F*) This question is in fact currently the subject of very thorough examination within the Community, particularly within the Council. It goes without saying that the preoccupations you have just expressed will also be taken into account in the discussions among the Nine on this question.

**President.** — We proceed with the Questions addressed to the Ministers of Foreign Affairs of the nine Member States of the European Community meeting in political cooperation.

At its author's request, Question No 24 by Mrs Ewing will receive a written reply<sup>1</sup>.

The second part of Question Time is closed.

I call Mr Howell on a point of order.

**Mr Howell.** — Mr President, can we not move on to questions to the Commission again, so that we have our full Question Time?

**President.** — The Commission has not been notified of the possibility that the questions to the Commission might be put at today's sitting.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Mr President, it has been an accepted custom in this House, and the Commission is fully aware of it — I am sure that if you ask the President of the Commission he would accept this — that if the Council questions finish early we then go on to those to the Commission. This is the accepted practice, and has been so ever since we have started this business of three different parts of Question Time during the week: Tuesday, Wednesday and Thursday. So may I suggest now that we formally move to Question No 7 or No 8 to the Commission?

**President.** — Mr Scott-Hopkins, we had not planned to devote part of Question Time to the Commission since we already have a very full agenda.

What we had intended was to continue with the debate on the Pintat Report up to voting time and resume it again afterwards.

I call Mr Schyns.

**Mr Schyns.** — (*F*) Mr President, am I then to understand that we will be able to deal with the other questions addressed to the Commission tomorrow? It would be a pity if they could not be put.

**President.** — The questions to the Commission will be put tomorrow at 3.00 p. m.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Judging by our progress yesterday — five questions, and we have got at least ten left — we do not stand much chance of getting through all those on the agenda. We have half an hour left. It is now five to four. It is the custom here in this House to go on. You do not have to tell the Commission. They automatically assume that we will go on. If they are not here, then the President is more than competent to answer all questions. They are a collegiate body, so he can answer, or indeed one of the other Commissioners can answer. I am sure he would be more than delighted to do so. If not, he should be.

*(Laughter — applause from various quarters)*

**President.** — I call Mr Howell.

**Mr Howell.** — Mr President, I am particularly distressed that I cannot receive an answer to my question now that we have the President of the Commission here. He has been dealing with the matter over a considerable number of months, and he knows exactly what this question is all about, so I know he is capable of answering this one. I see no reason why we should alter the rules at this moment!

**President.** — Mr Howell, we did not advise the Commission since we had supposed that the questions to the Council would take up the entire second part of Question Time. However, I think it would be in your own interests too to receive a fuller reply from the Commission tomorrow rather than an off-the-cuff reply now.

13. *Statements to mark the last part-session of the non-directly elected European Parliament*

**President.** — I call Mr Bernard-Reymond

**Mr Bernard-Reymond, President-in-Office of the Council.** — (*F*) Mr President, ladies and gentlemen, this Parliament's 'Council day' will shortly be over. On this occasion it takes on a particular significance, since this is the last time the Council Presidency will

<sup>1</sup> See Annex.



## Bernard-Reymond

participate in the proceedings of Parliament in its present form. In a month's time, the first direct elections will take place, marking a new stage in the history of your institution.

But the European Assembly has not needed to wait for the June 1979 ballot to leave its mark on European development. During a lifetime of almost thirty years, it has displayed impressive skills, invariably accompanied by a keen resolve to build a Europe and to defend true democracy. With its opinions, resolutions, reports and debates, Parliament has demonstrated its ability and value within the institutions. Steady progress has been made in its dialogue with the Council, through the questions put to it by the participation of the President-in-Office of the Council in its debates and occasionally even in the work of its Committees. This constant dialogue is now a characteristic of Community life. This Assembly could have been a mere sounding board for romantic idealism or a place of recriminations and bitterness, but it has never been either. It has stressed the human aspects of tedious problems, insisted on ensuing their relevance to the daily problems which crop up in the social and working lives of Europe's citizens. At the same time it has unflinchingly served as the mouthpiece of all our hopes.

Twenty-seven years ago, there were 78 Members assembled in Strasbourg in the ECSC Assembly. Twenty-one years ago this number became 142 and represented the parliamentary institutions of three Communities in that city.

Thus, the Assembly was, earlier than the other institutions, the place where Europe's problems came together.

However, the acceptance of this role did not mean that national identities suffered; the dual mandate with which you are entrusted means that it has been possible to reconcile the prerogatives of national parliaments with the implementation of the ideals common to the peoples of Europe. In the future, it will still be essential for the Parliament and the national parliaments to recognize and respect their respective areas of competence, and their rights and obligations. The ideals which you have committed yourself to defending can be subsumed in the conviction that we can share European democracy. Whatever the importance of the ballot which will take place in a month's time the fact remains that the European Parliament has always been and will continue to be a profoundly democratic assembly, representing the States and all their citizens in one active Community. The political and moral significance of direct elections will, of course, in no way fundamentally alter the nature of an institution which is one of the elements of institutional balance in the Community.

However, it is not enough to talk about the balance of powers; this balance must be present in our attitudes and our thinking as well. Alongside a Community

which has developed substantial administrative instruments, alongside the Member States which have produced increasing numbers of highly skilled experts using an even more complex vocabulary, the Members of this Parliament have represented the concerns of the people who elected them. As we all know, these concerns make up the reality of our daily lives; they reflect genuine problems to which we have to try to supply the answers. The exact, administrative or economic sciences are only truly of use if their findings can be directly applied to the people. In order to be able to do this then, they have to be able to take account of the views and aspirations of ordinary men and women. You have accepted this role, and I am certain that it is the role which the new Assembly will be assuming in the future. There are difficult and uncertain times ahead. Self-discipline and effort are required of Members of Parliament and ministers alike. Clearly, the directly elected Assembly will not only realize this, but will reflect this realization in its work. Democracy has always rewarded those who trusted and respected it. Among those, the presidents of this Assembly have played an outstanding part in creating a European parliamentary tradition.

Today, I would like to pay tribute to them and thank them for all they have done. In the same spirit, I would like particularly to congratulate your current President, Emilio Colombo. He is one of those among us who perhaps know best the value of democratic government, and who have initiated and then expanded this great tradition of democratic government in Europe. Consequently, here in Parliament, Mr Colombo has been able to draw strength and inspiration from his faith in democracy. But he has also guided the proceedings of this Assembly in a spirit of openness, moderation and efficiency. You are an Italian statesman, Mr Colombo, but you are today, if I may be permitted the expression, also a European statesman.

My most sincere good wishes go to all the Members of this House, and particularly to those who, owing to the hazards of political life, will no longer be here when it reconvenes. Nevertheless, I am sure that this will not prevent them from continuing to do their bit towards the achievement of the objectives which we share. On May 9 1950, Robert Schuman launched the first appeal to Europe. Today on the anniversary of that declaration, the organization of our continent and its influence on the world remain our common hope and our common destiny.

*(Applause)*

**President.** — I call Mr Jenkins.

**Mr Jenkins, President of the Commission.** — Mr President, on this appropriate day — as Mr Bernard-Reymond has reminded us, May 9 is Robert Schuman Day — I gladly join with him, as President-in-Office of the Council, in paying tribute to this outgoing Parliament.

## Jenkins

It is inevitably and rightly with some regret that we mark this occasion and say farewell to many Members who have served this Parliament and the cause of Europe with distinction — in many cases, over many years. But it is, I think, also an occasion for pride and confidence in the future since we stand on the threshold of direct elections. This Parliament should possibly be given the title, enshrined in British seventeenth-century history, of the Long Parliament. There are many differences: the Long Parliament had its deficiencies as well as its qualities, but it was the Parliament of Pym and Hampden, two of the great names in parliamentary history, and you, like that Parliament have survived over 20 years, replenishing your membership, gathering strength, enhancing your reputation and through your work and dedication helping to build to the road to the democratic future of Europe. That road has not always been easy, but the collective resolution and determination of this Parliament has succeeded in overcoming many obstacles and giving sustained support to the democratic process of the Community.

The Community is firmly rooted in the principles of representative democracy. Countries which do not honour such principles could not be considered for membership, and of the three new candidates it may be said that they have returned to such principles, which have immediately led to their applying for membership and of being welcome future members. It is manifestly desirable that these principles of representative democracy should apply directly in the institutions of the Community itself and not merely in those of the Member States alone. Indeed, the treaties establishing the European Communities laid a solid foundation for a true democratic control by proposing that the Parliament should be directly elected. It has taken a substantial time to honour that commitment — over 20 years — but we may compare that with the period, sometimes forgotten, of 160 years, from 1776, which it took the United States to achieve direct elections to the United States Senate. So by that comparison we have not done badly. It should, I believe, be a source of real satisfaction to every Member of this House that they have paved the way for this historic development. The Members of this House have been the pioneers, and direct elections will be the tangible result of your achievements and the crowning of your efforts.

I would also like, if I may, to take this opportunity to say a special word of thanks to you, President Colombo, with whom I have had the great privilege of working closely over the past two-and-a-quarter years. Though it has not been the first time we have worked closely together — we worked together as finance ministers a decade ago — I am very happy that events have brought us back into such close cooperation more recently. Every President of this House has made his own distinctive contribution to parliamen-

tary development in Europe, and I hope the House will understand if I do not pay a tribute to each of your predecessors individually. I would however, like to mention the name of President Georges Spénale who presided over my first appearance before this Parliament, in January 1977 the beginning of my presidency of the Commission, and who will, I know, be much missed from amongst our councils. But you, Mr President, are the President whom I know best, and I would like to record here the debt of gratitude that I believe we all owe to you for the way in which you have presided over our proceedings with calmness, with wisdom, with unfailing good humour and generosity. In two weeks' time, you, Mr President, will be going to Aachen to receive the Charlemagne Prize for the services you have rendered to Europe. That is a great occasion. I will be there to witness the occasion: it will give me great pleasure to see that award conferred upon you and I know that you will take with you there the congratulations and good wishes of this whole House.

*(Applause)*

Finally, Mr President, I thank this Parliament for the support and encouragement as well as the occasional tail-twisting which it has given the Commission over many years. You have occasionally proved our strongest critics — you tried to explore my capacity for spontaneous answers to questions which I did not have before me this afternoon, but that is in the nature how a Parliament should behave in its relationship with any executive — but you have also in a more fundamental sense been our strongest supporters and advocates, and it is from the benches of this Chamber that the Commission has, on many occasions, drawn courage and encouragement. When the history of this Parliament comes to be written, I have no doubt at all that the developing relationship between Parliament and Commission will come to be regarded as one of the central features in the progress of the Community in the last twenty years and one of its most important benefits. In the next five weeks, the eyes of Europe will inevitably be turned towards the future directly-elected Parliament, but that Parliament will be founded upon the efforts and achievements of this House, a precursor to whom they can look back with pride. As President of the Commission, I thank this Parliament most warmly for its services to Europe.

*(Applause)*

**President.** — I have received from Mr Gaston Thorn, Prime Minister of the Grand-Duchy of Luxembourg, the following message addressed to the European Parliament:

Mr President,

On the occasion of the final part-session of your Assembly in its present form, I wish to address this message to you in my capacity as Prime Minister of the country whose guest you are at this time.

## President

I am eager to make known to you, Mr President, and through you to the Members of your Assembly, the very high regard I have for the quality of the work accomplished by your institution since the establishment of the European Communities. I had the privilege of being involved in this work, first as a representative of the Luxembourg Parliament and subsequently on three occasions as your opposite number in the regular dialogue with the Council of the European Communities.

At the moment when a new era in the history of the European Parliament is about to begin, sanctioned by the direct elections, we must not forget that the role which your institution currently enjoys is the result of the excellent quality of your work and of your determined efforts for the gradual introduction of democratic supervision of the activities of the Community. I am sure that your successors will also apply themselves to this task with the same regard for the common good, for European union based on the balanced roles of the institutions and for the equal rights of the Member States.

The European Parliament has never allowed partisan interests — which in the final analysis are irrelevant when compared with its historic role — to disturb its cordial relations with the Luxembourg Government. I congratulate you on this, and I am convinced that in the future, as in the past, our honest and mutual cooperation will enable the European Parliament and its Members to work here, and in Strasbourg, in the best of conditions.

I conclude this short message very simply by thanking you for all you have done for the cause of European unity. I look forward to seeing many of you again as Members of the directly elected Parliament.

*(Applause)*

We have heard with keen interest the statements by the President-in-Office of the Council and the President of the Commission and the message from the Prime Minister of Luxembourg. On behalf of the entire House, I should like to express our gratitude for this appreciation of the work of Parliament.

There are some of us who have been Members of this Parliament for many years, and a few have even been here since 1952 when the Assembly of the Coal and Steel Community met for the first time, although the calls of government have meant that there have been some interruptions to this commitment. There are three sitting Members of this Parliament who have held the office of President: Mr Berkhouwer, Mr Scelba and Mr Spénale.

I should like to take this opportunity to pay tribute to you all, ladies and gentlemen, and to your predecessors in this House, for the work you have done and especially for the way in which you have all contributed to the work of the European Parliament.

If I were to recount how our Assembly has evolved in the years since 1952, I should need to extend this part-session by several days. I shall spare you that, however.

I just want to mention the outstanding stages of Parliament's development. It came into being as an Assembly with a predominantly consultative role, but over the years Parliament has gradually extended its

powers while respecting the Treaties or, as in the important case of the adoption of the budget, by amending the Treaties with the approval of each of our national parliaments.

Development of this kind is quite natural, I feel. This Parliament, which until now has consisted of Members from the national parliaments and which is very soon to consist of directly elected Members, could not merely sit on the sidelines and watch as the Community developed.

A member of parliament who is elected in a multi-party democracy, and who is thus a true representative of the people, must accept the full responsibility of his election and his role must be more than merely advisory.

Thanks to the budgetary powers that Parliament has acquired and the conciliation procedure that facilitates joint decisions with the Council, and by improving internal procedures and intensifying its powers of supervision and political initiative, Parliament has taken on a role which justifies its title of European Parliament.

On 17 July the directly elected Parliament will sit for the first time. We are convinced that the experience, tradition and powers that Parliament has accumulated in 26 years of fruitful labour will be invaluable after 17 July for a smooth resumption of work which will enable us to continue promoting parliamentary democracy in the Community with undiminished enthusiasm.

We are delighted to be able to pay tribute to the Council — to you, Mr Bernard-Reymond, to Mr François-Poncet, and to all your predecessors — for the cooperation which has developed between our institutions, and especially for the now customary practice whereby, at every part-session, there is a fruitful debate between the Council and Parliament on the important problems of the moment. Also, on behalf of everyone here, I wish to thank the Commission and Mr Jenkins for their constant attendance and for the unceasing exchange of views with the House. In this way our dialogue has been improved and given an increasingly constructive significance. May I also thank Mr Bernard-Reymond and Mr Jenkins for the particularly kind words they addressed to me.

In short, I wish to thank the Council and the Commission for their contribution to the development of the parliamentary institution in the Community.

The elected Parliament will have new problems to tackle, and I am sure that it will be able to rely on the unstinting cooperation of the other institutions of the Community.

I am sure that Parliament will continue to evolve in the fashion which is implicit in the Schuman Declaration which we are commemorating today.

*(Applause)*

#### 14. *Enlargement of the Community (resumption)*

**President.** — The next item is the resumption of the debate on the Pintat report (Doc. 42/79).

I call Mr Sandri to speak on behalf of the Communist and Allies Group.

**Mr Sandri.** — (1) Mr President, Mr Pintat mentioned that on 18 January we considered the first part of his report on the prospects of enlargement of the Community when we looked at the political and institutional aspects. This first part dealt with what I might call the most fascinating and the most politically stirring aspects of the great task before us. Political and institutional aspects: these are the stuff of politics with a capital 'P'. This morning, with the second part of this report, Mr Pintat has gone into the totality of real concrete problems which are highly complex and which will have to be solved if we are to achieve our goal. The solution of these problems is vital if enlargement is to help us achieve a genuine strengthening of the European Community.

I want to pay tribute to Mr Pintat for not glossing over the difficulties and for producing a résumé of the various opinions which were reached, sector by sector, by the parliamentary committees. I feel we need to pay as much attention to the problems which the Community will have to face as to those that will be encountered by the three applicant states. There is just one remark I want to make in this connection. We must be aware of the barriers to be overcome if enlargement is to be successful, but at the same time we must not forget all that this means and all the problems which will have to be solved by the weaker countries whose economies lag behind ours, namely, Spain, Greece and Portugal.

Frankly, the enormity of the problems which Mr Pintat outlined would be enough to deter anyone, were it not for the firm political determination which sustains the desire for accession within the Community as well as in the three countries involved. I feel that the nub of the problem was stated by Mr Müller-Hermann and Mr Pistillo, who drafted the opinions of the Committee on Economic and Monetary Affairs and the Committee on Social Affairs, Employment and Education. To put it simply, they both considered that the real goal of enlargement was not merely to expand the existing Community. If this were our idea, we should be sure to fail, for our task is not so much to reorganize as to renew the Community. The outcome will be satisfactory only if there is this renewal at the same time as we enlarge the Community and bring the three applicant states closer. What I have to say on this point will be very brief, Mr President, because the rapporteur ably covered a wide variety of problems in his report. Firstly, we have the regional problems — admirably outlined by Mr Hoff-

mann this morning — with the frightening disparities which already exist between one region and another and which, but for Community action, will go on becoming more and more marked. Then there are the social problems, ranging from unemployment, which is a considerable problem in the present Member States as well as in the applicant countries, to the flood of migrant workers we can expect. Although Mr Bertrand was perfectly right this morning in urging the Commission and the negotiators to reduce the transitional period, especially in the case of workers' rights, we must nevertheless prevent any radical division of the labour force as a result of enlargement. An inflow of workers from the rural areas of the Mediterranean to the cities and industries of the north would be a cause of social upheaval even greater, for example, than what we have experienced in Italy. The problem is not really one of freedom of movement so that workers from Greece, Spain and Portugal can all get jobs in Germany, but rather a problem of encouraging the industrial and agricultural development of these countries so that the social, demographic and economic balance is not upset by the waves of migration which have characterized recent history in Europe.

And lastly there are the agricultural problems. In his very thoroughly drafted opinion, Mr Ligios provided data which without exaggeration may be termed dramatic. I do not think I am being guilty of nationalism if I point out that southern Italy, to an even greater extent than the south of France, must not be allowed to become the victim of the Community's enlargement. The danger signals are there to be seen, and I am not merely appealing to the generosity of the Community. If you ask me, we should have got a pretty poor bargain if agriculture in the south of Italy were to suffer as a result of the enlargement.

The last problem we cannot ignore concerns the general repercussions on external relations, especially on relations between the Community and the so-called 'Group of Eight', consisting of the three Maghreb countries, the four Mashreq countries and Israel. We cannot behave like Penelope, spinning by day and undoing it all by night. We cannot sacrifice relations with countries like Israel, Algeria or Tunisia — relations which are of immense value to both sides — just for the sake of enlargement.

These are the four lines which we, and our negotiators, should follow. In this respect we share the serious concern expressed by all the parliamentary committees which have considered this subject and expressed concern on a number of specific points, albeit in general terms. I give as examples the request by Mr Ligios, on behalf of the Committee on Agriculture, for planning with regard to efforts and objectives; the plea for financial instruments suited to the enlarge-

## Sandri

ment of the Community; the emphasis on the fact that enlargement is a common venture and must not be used to establish preferential relations between present Member States of the Community and the three applicant countries; and lastly, the call for enlargement to take place, if not after, at least at the same time as progress towards economic and monetary union. As Mr Pistillo said in his opinion, to achieve economic and monetary union we have to move beyond mere statements of good intentions, which sometimes have the ring of idle slogans, to proposals on what is to be done, and how and when, in order to achieve a harmonious process of expansion which brings us the results we are all seeking.

I have one last comment to make, Mr President. These three countries will bring to the European Community more than their culture and their peoples and their economies at varying stages of development. They will also bring with them all their international relations. We must ensure that countries like Spain and Greece, which are known to have good relations with the Arab countries, have a direct or indirect role to play in the difficult Euro-Arab dialogue.

The Community could also take advantage of Portugal's relations with several African nations. Finally, there are Spain's expanding economic and cultural relations with Latin America. We should think about this very carefully, given that among certain members of the general public in Spain the hope, confidence or interest in European integration is apparently waning while the appeal of the wide open spaces of Latin America is growing in its place. Remember that Spain has applied for membership of the Andean Pact and ECLA. However, I feel, therefore, that the Community should also take advantage of these links with Latin America in its general pattern of external relations.

In the opinion he drafted on behalf of the Committee on Budgets, Mr Dankert asked that the European Parliament be allowed to participate in negotiations with third countries. I do not know if the proposal is possible in the form envisaged by Mr Dankert, but I do feel as regards the new Parliament that we should express the hope that it can be involved — in the political and not the institutional sense — in encouraging and keeping an eye on the dynamic process which should result in the harmonious enlargement of the Community.

Consequently, we support the report and the motion by Mr Pintat and we are also ready to support Mr Dankert's amendments calling for increased participation by Parliament in the enlargement negotiations.

## 15. Votes

**President.** — The next item is the vote on the motions for resolutions contained in the reports on which the debate is closed.

I put to the vote the motion for a resolution contained in the *Ansquer report (Doc. 162/79): Community supplies of raw materials.*

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

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We shall now consider the motion for a resolution contained in the *Dunwoody report (Doc. 98/79): Equal pay for men and women in the Member States of the Community.*

I call Mrs Dunwoody for an explanation of vote.

**Mrs Dunwoody, rapporteur.** — Mr President, I must begin by saying that I am not the greatest admirer of the procedure in this establishment, which occasionally seems to me to be astonishingly inflexible when it suits the establishment and very flexible when it does not suit them — though that, perhaps, is an unkind remark to begin with.

In fact, I believe that this report — and it is one which I will vote for, needless to say — is a very important one. It is a subject we have discussed in the Committee on Social Affairs, Employment and Education now for a very considerable time.

The Commission's report was an extremely interesting document, and I would like to place on record my very great admiration for the job done by the civil servant in charge of this particular subject. He has made tremendous efforts, not just to get the Member States to consider the implications of the directive on equal pay for men and women, but to make sure that information was widely available to this Parliament.

I am very deeply distressed that, because of a slight technical hitch yesterday, there was absolutely no discussion of this report and not one Member of this Parliament thought it worthy of comment. I think it is a very sad state of affairs when a report like this comes before us and no single Member feels that he is able to make any comment.

I would say this, that if we are to see any of the grandiose plans that the Community puts forward in the field of employment in any way carried into effect, then the one thing they must do something about is ensuring equal pay to women of the Community. Women will no longer accept the situation where they are always in the lowest-paid jobs, always in need of assistance in order to get their rights and in many instances, even when they have access to legal protection, are not able to afford it because of the expense of the system to which they would have to appeal.

This can only be an interim report, and whoever comes into this Parliament, I trust that they will continue to insist that inequality between men and women is not just a question of pay or of job opportunity; it must be a question of job evaluation, it must

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**Dunwoody**

be a question of access to full legal rights and it certainly must be a question of ensuring that there is equality of educational opportunity. If this Parliament can in fact do something along those lines, it will be doing something which is of use, unlike many of the subjects which it discusses at inordinate length.

**President.** — Mrs Dunwoody, it would grieve me if you felt that the procedure followed on this occasion had been too strict. You know that I have always endeavoured to protect the right to speak, but unfortunately you were not in the House yesterday. I trust that you will not look on this as some kind of discrimination between the sexes, because the rule is the same for everyone: if you want to take part in the business of Parliament, you must be present.

I call Mrs Squarcialupi for an explanation of vote.

**Mrs Squarcialupi.** — (I) I have asked leave for an explanation of vote, Mr President, because yesterday it was not possible for procedural reasons to hold the debate on Mrs Dunwoody's report. Naturally, our group takes a favourable view of this report, to which we made an active contribution with the amendments we tabled. There is just one point I want to mention, and that is Mrs Dunwoody's reference to the miserable working conditions of women in the Third World. She reminds the European Community of its responsibilities to ensure equal pay and binding minimum working standards. I want to stress this point and remind the House of the tremendous responsibilities we have towards the Third World and towards the women of the Third World especially. The fight against excessively high infant mortality rates and the creation of a new international order can and must involve essentially the advancement of women.

**President.** — I call Mr Klepsch to speak on a point of order.

**Mr Klepsch.** — (D) Mr President, I just want to point out that it is not the fault of this House if the Members who put their names down to speak are not present. I should like to add that it is in no way a breach of procedure if we have gone ahead in accordance with the Rules of Procedure. I entirely agree that Mrs Dunwoody has produced an excellent report and I should like to acknowledge that fact. But we cannot make up for the fact the proposed speeches were not delivered during the scheduled debate by allowing them to be given during an explanation of vote. If we let this happen now, it will always be happening in the future, because the times available for the debates vary. Might I suggest that on this occasion we graciously acknowledge that our ladies have made one or two very important points but that we should avoid this practice in future?

**President.** — I call Mrs Dahlerup on a point of order.

**Mrs Dahlerup.** — (DK) Mr President, might I suggest that you ask the male Members of this Parliament not to refer to hardworking Members as 'our ladies', even if these hardworking Members are female?

**President.** — If there is a distinction, it was made in favour of the ladies, because the Chair allowed you to speak for an explanation of vote without imposing any time limit, for which I have been duly reproached. I put to the vote the motion for a resolution.

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

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**President.** — I put to the vote the motion for a resolution contained in the *Albers report (Doc. 31/79): Tripartite Conference of 9 November 1978.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Albers report (Doc. 147/79): Improvement of relations with the social partners in the context of the Tripartite Conferences.*

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

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**President.** — I put to the vote the motion for a resolution tabled by *Mr Van der Gun (Doc. 163/79): Council of Ministers of Social Affairs and Labour on 15 May 1979.*

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

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**President.** — We now consider the motion for a resolution contained in the *Bertrand report (Doc. 90/79): European Centre in Berlin.*

I call Mr Bertrand.

**Mr Bertrand, rapporteur.** — (NL) Mr President, I should just like to make a very brief statement for the benefit of those who did not participate in yesterday's debate. I proposed yesterday that paragraph 2 be deleted from the motion for a resolution because during the debate this paragraph gave rise to a false interpretation which was not intended. To avoid this, I ask that paragraph 2 be deleted. I ask the House to adopt the rest of the motion.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President.** — I put the motion for a resolution to the vote, subject to the deletion of paragraph 2.

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

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**President.** — I put to the vote the motion for a resolution contained in the *Shaw report (Doc. 161/79): Regulation amending the Financial Regulation of 21 December 1977.*

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

#### 16. *Enlargement of the Community (resumption)*

**President.** — The next item is the resumption of the debate on the Pintat report (Doc. 42/79).

I call Mr Ansquer to speak on behalf of the Group of European Progressive Democrats.

**Mr Ansquer.** — (*F*) Mr President, Mr Pintat's motion for a resolution has the merit of bringing out all the difficulties involved in enlargement. There is of course no question of reconsidering the principle of enlargement to which, in political terms, we have given our approval, but there is a need for an objective examination of the specific arrangements. In his motion for a resolution, the rapporteur rightly refers to the problems we are going to encounter and the difficulties involved in this enlargement both for the European Economic Community and for the applicant countries.

Indeed, it is common knowledge that, while there are appreciable differences, agriculture in the three applicant countries shares certain characteristics with the Mediterranean regions. The existing imbalances within the Nine will thus be magnified by accession of these three countries. In addition, there is a danger of increasing our level of domestic production in certain surplus sectors such as wine, olive oil and certain fruits and vegetables. The high level of Community prices is liable to encourage the applicant countries to make unwarranted increases in their production.

As regards industry, enlargement will undoubtedly add production capacity in sectors where the situation is already sensitive in the Community and will accentuate the divergencies in production conditions in other sectors. The accession of these three countries will clearly increase Europe's dependence on imported energy. Their dependence varies, as we know, between 78 and 88 %, while the Nine already

rely on imports for 57 % of their needs. The reorganization of industry and agriculture will mean a further worsening of unemployment in the Community. Already, the 12 countries have a total of more than 7.5 million people out of work. The gap between regions will thus become wider, creating new imbalances. In external relations, the Community will have to modify its policy towards the Mediterranean countries whose privileged position will be eroded, and towards the ACP and Latin American countries. Lastly, there is a danger that the Community will be watered down into a free-trade area and the decision-making process, which is already rather weak at times, will be further emasculated.

In view of this situation, a transitional period characterized by the need to meet certain objective criteria and the use of safeguard clauses will be the only way of effectively overcoming the many obstacles. If enlargement is to be a success — and I think this is a desire we all share — certain conditions must be met. Firstly, there must be a strengthening of Community policies, with real guarantees, supported by legislation, to provide for the legitimate interests of farmers. There must be effective provisions in the field of regional economic policy, especially for the Mediterranean regions, which face particularly strong competition from the applicant countries. If we are to avoid calling into question the foundations and objectives of the European Economic Community, the new Member States will have to respect certain constraints. Unity in legal terms must be matched by equal obligations, and allowance will therefore have to be made for the use of safeguard clauses. In order to ensure that the arrival of new members in the Communities does not accentuate the existing imbalances, we declare our firm support for giving a fresh impetus to Europe in the form of a reinforcement of common policies. Without such a policy Europe would be enlarged geographically, but the achievements of the Community would be at risk.

Mr President, ladies and gentlemen, the course the Community must take can be outlined as follows: preservation of the achievements of the Community, improvement of production structures, redevelopment of certain sectors, a policy of market support over the period needed to ensure the success of restructuring measures, development of a bold employment policy, reduction of regional differences, reduced dependence on imported energy and a revision of the Common Agricultural Policy. What we must aim at is to achieve a balanced self-sufficiency with high-quality products, to avoid any form of protectionism, to ensure smooth intra-Community trade, and lastly to organize our production with an eye to the needs of third countries. We shall also have to abandon the piecemeal policy we have pursued towards the Mediterranean countries in favour of an overall coherent policy.

<sup>1</sup> OJ C 140 of 5. 6. 1979

**Ansquer**

While the motion clearly brings out the difficulties, it does not put forward enough solutions. It confines itself to asking the Commission to submit new forecasts and calls on the Community to make a considerable effort to help the applicant countries. This means that tone of the motion seems to be more appropriate to developing countries than to applicants for membership in the Community. In our view, if we want to pursue an aid policy there is ultimately no need to have these three countries join the Community. Agreements such as we have concluded with the ACP countries or the Mediterranean countries would benefit them more and would probably be less disastrous for the Community. That is why, Mr President, we appeal to the Commission to be vigilant and take every precaution both to avoid stagnation and to prevent the destruction of the Community.

**IN THE CHAIR : MR LÜCKER***Vice President*

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

**Mr Dankert.** — (NL) Mr President, I am in the rather difficult position of being the spokesman both for the opinion of the Committee on Budgets and for the Socialist Group, although I have been called to speak in this debate in only the latter capacity. In view of the fact that a number of amendments have been tabled by the Committee on Budgets, I may well get a little confused but that will not greatly harm either the cause of Socialism or that of the budget. I can very broadly subscribe to what was said this morning by Mr Hoffmann on behalf of the Socialist Group and Mr Bertrand on behalf of the Christian-Democratic Group. I shall thus confine myself to certain financial aspects of enlargement which are covered by the two reports I have drawn up on behalf of the Committee on Budgets, the first of which has now also been annexed to the Pintat Report. Since it is difficult to read the second without the first, I am very glad this has been done .

It was exceptionally difficult to obtain the necessary data in order to make a fair assessment of the consequences of enlargement. There is an enormous shortage of information, which is in itself a not inconsiderable problem in view of the consequences of the political approval given to enlargement. I would go so far as to say that this political yes could well turn into a political no when the consequences suddenly become clear. And that is why I take the view that one of the essential conditions for the success of enlargement consists in having a continuous flow of information so that the public and the politicians in the Member States, as well as the members of this Parliament, can follow this process as it unfolds and come to appreciate the consequences it involves.

For that is the only way this process can be brought to a successful conclusion, that is the only way of preventing the enlargement process, which has my Group's political backing, from being suddenly brought to a halt by unforeseen difficulties. I shall thus confine myself primarily to the question of the costs of enlargement. And there is one point I should like to make at the outset : in deciding to open negotiations with these countries on enlargement, the Community thereby also assumes full responsibility for the complete integration of the countries concerned. We cannot and must not allow the result of our political yes regarding the integration of Spain, Portugal and Greece to mean the emergence of a multi-tier Europe as adumbrated in the Tindemans report. I think that if we take this course we will run a great risk of achieving the opposite of our political objectives. I think that in assessing the problems on those lines the Commission has chosen an approach which involves serious dangers. In the Fresco, the Commission made estimates — albeit with due reservations — and quoted definite figures which come down to a net transfer from the present Community countries to the new member countries of a total of 1 000 million units of account.

In my view that is an extremely dangerous operation. We all know our own Finance Ministers, who naturally worked out long ago within their own departments how much it would cost but will still make use of this official figure. It will be terribly difficult, if it turns out that the cost is higher, to persuade the Finance Ministers to make more generous allowances in their medium-term planning than is the case at present. And I think that here the Commission has as it were walked into a trap. What have we been doing in the Committee on Budgets? As I already said, we have drawn up two reports.

In the first report we looked at the problem on the basis of the Commission's premises in the Fresco. I shall not repeat here everything in the report — nor is that my task as spokesman for the Socialist Group — but I think it is clear from this report that there are serious doubts as to how realistic these premises are in terms of the practical accession process since, for example, absolutely no account is taken of a phenomenon that has become apparent time and again in every enlargement process, including the first enlargement of the Community, i.e. the dynamic aspect. I think that in the agricultural sector that could well play an important part.

These premises also — and Turkey is at present a reminder of this — take no account at all of the consequences enlargement will have for the Mediterranean countries associated with the Community, a number of which — I am thinking primarily of Morocco, Tunisia and Israel — are extremely dependent, with regard to their balance of payments, on their current trade in agricultural products with the Community.



**Dankert**

Besides this, the Committee on Budgets expressed some criticism of the fact that the Commission had underestimated the effects of this new policy. According to my calculations, the Commission's 1 000 million is in every respect just not a plausible figure. But the cat is really let out of the bag in the second report, which works out — and these calculations were done with the assistance of the Commission's departments — the effects of transposing into the *Fresco* the Commission's three-year estimates. If you look at these figures — they are given in the Annex — then it is clear that the accession of Greece, Portugal and Spain will involve appreciably higher costs than the Commission estimates.

That is an important point. I know the Committee on Budgets is also fallible and has to work with hypotheses, but our estimate of the real costs is three to five times higher than the figure given by the Commission.

In concrete terms that represents the expectations of the countries which are to join the Community, and that is the policy they expect the Community to follow in the 80's. In our view, therefore, that figure of some 1 000 million can cover only a third to a fifth of these expectations. And from the political point of view that is a not inconsiderable financial difference. Once again, we can argue about the figures, but at the same time this underlines my contention that we need to be kept informed and should make a standing request to the Commission, as soon as they have figures available, actually to provide us with these figures.

As I said, the political significance of this problem involves above all the Finance Ministers, who will stick to this figure of 1 000 million. But that is not the only thing. There is also the point that a number of Member States — including my own country, which is at present a net recipient in the Community — will have to face the fact that accession ... Mr Natali is shaking his head, but I thought the Commission had recently established that the Netherlands still had a net benefit of 150 million from the Community with Belgium netting somewhat more. That at least is what I gathered from the latest Commission reports; perhaps that explains the pro-Community mood in the Netherlands ...

**President.** — Mr Dankert, may I ask you to bring your speech to an end in two minutes at the latest.

... Mr President, I shall do my best, but it is clearly quite absurd for the European Parliament to have to keep to the same time limit in dealing with such an important subject as for discussions on all the old rubbish we regularly have on our agenda. I shall, therefore, do my best to make it short, but I can make no promises.

The financial question is thus one point. I hope the Commission will be giving more details about the

total costs. Another, no less important point is the suitability of the existing instruments with regard to the transfer of resources. I am thinking of the Social Fund, the structural policy for agriculture and the Regional Fund. Are these Funds in a position to play the part with regard to the new member countries that we ascribe to them in theory but which they seldom have in practice?

I know all this will take time. There are provisions for transitional periods, which means that these financial problems will affect us rather more slowly than we may think at the moment. But this does need to be discussed, since this directly involves the Community's whole budgetary policy, which is already the subject of an ongoing debate for which the prospects are far from bright. It needs to be discussed because it directly involves the whole question of agricultural policy, particularly that agricultural policy which benefits the North of the Community.

We appeal to the Commission above all to ensure that Parliament is involved in the coming stages of this process and is also better informed than has been the case up to now, so that it can contribute to the process of enlargement. I am afraid, in fact, that serious political difficulties could still arise along the way. It is not impossible that in negotiations with Spain it will emerge that unless France receives sufficient compensation for Languedoc-Rousillon, or Italy for its Mediterranean agriculture, the process of enlargement will grind to a halt. Once again, therefore, we call on the Commission, with a view to the great political urgency of this, openly to cooperate with the public and with Parliament and to try and ensure the smooth completion of this process on the way towards the ultimate political objective which we all share, the integration of the three applicants into the Community.

**President.** — I call Mr Mitchell.

**Mr Mitchell.** — Mr President, I do not wish to go into the details of Mr Pintat's excellent report, but as this is almost certainly my last speech in the European Parliament, perhaps I might make a declaration of faith. Thirty-five years ago, at the end of a terrible and bloody war, some of us had a dream, a dream of the united states of Europe, with no more wars, where the people of Europe could live together in peace and prosperity.

Unfortunately it was not to be, because we had the period of the cold war and the division of Europe into two camps, east and west. But perhaps today the whole question of enlargement may be the beginning of the realization of that dream. We have now welcomed into our ranks Spain, Greece and Portugal, two of which at least are poorer countries. It makes a lie out of the story that the Community is a rich

**Mitchell**

man's club. We have welcomed in poorer countries : we will do our best to sort out the economic problems that it involves.

I hope this will be the first of several enlargements. I would like to see the addition of Austria, Switzerland, Turkey and Yugoslavia, just to mention a few, and perhaps eventually, perhaps in the lifetime of my children or my grandchildren, we shall achieve a genuine politically united Europe.

Mr President, if that is achieved, then the work of this generation will have been worthwhile.

**President.** — I call Mr Normanton.

**Mr Normanton.** — Mr President, may I preface what I have to say on this occasion with an apology to Mr Pintat and others for my absence from the debate until this stage ; I have been involved in a commitment elsewhere. May I make just one point in this debate ? It is one that is relevant to the enlargement of the Community, on which rapid progress is being made, with dates even being fixed for its implementation.

What I fear arising from the implementation of enlargement is the failure in a number of cases to honour existing commitments which have been entered into, and which have been strongly and consistently endorsed, with countries already in relationship with the Community. There is one particular aspect of this which I am bound to bring to the attention of the House. I am referring to the relationships between Spain and Israel and between Greece and Israel. I would only make the earnest plea to the Commission, and those who are responsible for negotiating the entry of these two countries into the Community, that they make absolutely certain that the accession of Spain and of Greece does not take place unless both countries give to Israel exactly the same full recognition that they enjoy from the present nine Member States of the Community.

This is, of course, only one of a number of points, but I think it is right and proper that it should be reflected visibly and formally in the actual agreements when they come to be signed. If it is, I am sure it will be a major contribution to the improvement of our relationships with Spain, with Greece and indeed with all those states with whom the Community has treaty relations.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Mr President, let me first express my sincere thanks to those who have spoken during this debate : to the rapporteur, Mr Pintat, for such a comprehensive, complex and at the same time stimulating report, and to Mr Bertrand for his kind words — words of friendship which I reciprocate — and wishes for future success which are also reciprocated with the same sincerity.

This evening is a somewhat special occasion in that we are debating an exhaustive and extremely multi-faceted report which brings together a whole series of problems which we have often discussed. This is, after all, not the first time the enlargement issue has been tackled in this House. I personally remember that one of the first debates in which I took part in this Parliament a few months after being appointed Commissioner concerned the problems of enlargement. The Commission was, I remember, accused on that occasion of lacking determination on the decisions concerning the entry into the Community of these three new countries. I realize that as the situation develops problems arise and much thought must be given to the issues involved. Nevertheless, I would not want today's debate or — even less so — the documents now before us to raise doubts as to the fundamental political decision which Mr Mitchell spoke of so eloquently a few moments ago.

The Community must not give the impression of being an inward-looking rich man's club the doors of which are closed to the three countries now seeking membership. Admittedly, the economic situation in each of the three countries is different, and also differs from the average economic situation in the Community, but they all cherish the same ideals of freedom, democracy, justice and peace as the Community countries. The problems have to be tackled and the difficulties faced, but this should always be done in a frame of mind favourable to the entry of these three countries. We must not, for example, give a 'yes...but' answer, but rather endeavour to seek out ways and means of ensuring that the accession of these three countries does not weaken the Community, but strengthens it both internally and vis-à-vis third countries. On this basis, it is perhaps incorrect to speak of three applicant countries, since the act of Greece's accession to the Community will be signed on 28 May and the negotiations with Greece have been concluded to mutual satisfaction. Throughout these negotiations, we have endeavoured never to lose sight of our underlying objective : concerted solutions for the good of all parties concerned.

I should like to say at once to Mr Dankert, whom I thank for his thorough study of the budgetary problems involved, that if I shook my head earlier it was not to contradict him, for I know quite well, Mr Dankert, that thanks to the inventiveness of her producers your country has succeeded in becoming competitive even in the fruit and vegetable sector. The problem is therefore very wide-ranging and very important. I shook my head when you stated that it had been a mistake on the Commission's part to indicate how much enlargement would cost and that it had quoted a comparatively low figure in order to avoid protests from the ministers of finance. What I wanted to tell you — and I think you will agree —

## Natali

was that it is extremely difficult to forecast expenditure arising from developments which we are not yet in a position to assess. We cannot, for instance, assess at the present time the consequences of the fixing of prices for agricultural products. You, Mr Dankert, know better than I do that there is no telling which way the economic wind is going to blow. The study carried out by the Commission was based on the existing situation. It is very difficult to use hypotheses based on a series of variables which are impossible to appraise for the time being. However, the point as far as Greece is concerned is that although our forecasts have been overtaken by events, the Member States — and therefore the ministers of finance — have given the go ahead to a higher level of financing than that initially budgeted for.

I say this because we ought, in my view, to stick to an approach based on exchange of information, exchange of views and assessments of what expenditure and transfers of resources the accession of the three new countries will entail.

I should like to stress, ladies and gentlemen, that in any case the problem of transfer of resources is not one which arises merely from the accession of the three new countries. It is, as Mr Hoffmann has reminded us, one that we already face from the standpoint of intra-Community equilibrium. In other words, we believe that no Community can survive unless there is an equitable balance between its regions. This is true as regards the three countries about to join, but it is also true of the Community's present situation, which is why we support the suggestions made in the motion for a resolution and feel that this must all be part of a new budgetary policy.

Personally, I do not agree with the idea of having a special reserve to cope with the requirements of Community enlargement. This special reserve might even be interpreted as a sort of neo-colonialist instrument. Instead, we ought to improve the existing instruments and make them work.

I should like to stress, Mr Bertrand, that the Social Fund, the Regional Fund, the EAGGF and all the other instruments which may be created in the context of an economic and monetary union, must have a common end in view: the creation of internal harmony in the Community.

A series of problems have been broached here today, Mr President, on which I cannot go into detail. However, I should like to say that the document submitted by Parliament is extremely important and will, I believe, serve as a guideline for our future course of action as regards the problems concerning the agricultural and social policies and also as regards the more essentially political problems mentioned by Mr Normanton.

One last point, Mr President Parliament has asked to be kept abreast of developments on the negotiations

side. I think Mr Bertrand will acknowledge that the Commission has always kept the Political Affairs Committee posted on the progress of the negotiations and on the general problems involved in enlargement. We have every intention of continuing to do this. Nevertheless, I would not like — and I am perfectly frank here — this need for information to lead to a lowering of Parliament's prestige. As I see it, Parliament's role is to supervise and to stimulate; I do not feel that it can take part in the negotiations, for rather than reflect recognition of Parliament's prestige this would probably harm the Parliament's reputation. This is my own impression, and I thought I would just mention this to the honourable Members.

The road to Community enlargement is long and difficult, but let us not forget the underlying reason for the application by these three countries to join the Community and the answer which they received. It is a political decision taken in the interests of safeguarding democracy, freedom and peace, and this will be uppermost in our minds in the months ahead as we work to solve the problems involved and, above all, to advance towards this common goal.

**President.** — Thank you for your speech, Mr Natali. It was very much to the point and contained information of essential interest for this debate. Before I close the debate, there are one or two points I want to make for the benefit of the House so that no one is left wondering about Parliament's basic position.

Firstly, today's debate does not mean that Parliament is having any doubts about the political decision to welcome the accession of the three new countries, Greece, Spain and Portugal. It was to be expected that the Members of this Parliament would to a certain extent go into the existing economic problems during their speeches. This shows that we have, as it were, come down to earth again. But this does not mean that Parliament is revising its earlier statements on the political significance of the accession of these three countries.

Secondly, for the sake of clarity, I should like to make clear that this House has never harboured any desire to take over the Commission's role. Here we discuss the problems. We know that we are not a party to the negotiations but that we simply have a contribution to make in political terms.

Lastly, I should like to congratulate Mr Natali himself and all the Members of the Commission, as well as the Council of Ministers, on the official signing of the treaty on Greece's accession which will take place in Athens on 28 May. We are delighted that the arduous negotiations have been concluded and that the way is now open for the ratification of the treaty by the ten parliaments involved. It is the hope of this Assembly that there will be no delay in this, so that Greece will be able to assume its rights and obligations in the Community on the basis of the treaty.

**President**

Since no one else wishes to speak, the motion for a resolution and the amendments which have been tabled will be put to the vote tomorrow during voting time.

The debate is closed.

17. *Human rights in Ethiopia*

**President.** — The next item is the debate on the report (Doc. 132/79), drawn up by Mr Zagari on behalf of the Political Affairs Committee, on human rights in Ethiopia.

I call Mr Bertrand, chairman of the Political Affairs Committee.

**Mr Bertrand, deputy rapporteur.** — (NL) Mr President, the motion for a resolution is perfectly clear. All we are doing is urging the Ministers for Foreign Affairs meeting in political cooperation to do two things. Firstly, we want them to try to ensure that an end is put to the atrocities being committed in Ethiopia. We call upon them to take the necessary steps to achieve this.

Secondly, we want an end to be put to the foreign intervention in events in Ethiopia.

These are the two major calls contained in this motion for a resolution. The Political Affairs Committee adopted the motion unanimously and I hope that Parliament will do the same.

**President.** — I call Mr Bersani to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Bersani.** — (I) Mr President, an issue which lies at the heart of our Parliament's concern not only here in this House but also — though the Parliamentary and joint committees — in a broader framework such as the Lomé Convention, is before us once again: the defence of human rights in all places and at all times. We know how important this issue is to us, not as Europeans, but as human beings and how we have always endeavoured to uphold this principle in this Parliament, where we have shouldered our responsibilities as Europeans. As an example, I should like to remind members of how inadequately the fundamental rights of workers and students from the ACP countries — or third countries in general — living in our Community are safeguarded. The issue should not therefore be approached from a subjective standpoint but from a level above that of partisan thinking and as an indivisible principle which should not be compromised or sacrificed to interests of any kind.

Against this background and remembering how, for instance, in the case of another country — where, although the situation is different, it is being changed by events — the pressure of international public opinion in Africa, Europe and the world has had a positive influence, we should like to say that we funda-

mentally approve the motion for a resolution submitted by the Political Affairs Committee and the opinion drawn up by the Committee on Development and Cooperation.

As for the present situation, the report of the Political Affairs Committee paints a disturbing picture. It describes a state of affairs for which there is no possible justification, no matter how serious the situation was before. The international pressure called for must therefore be brought to bear, and an attempt made to demonstrate how it is possible and necessary to tackle these touchy and complex problems in a political climate in which fundamental rights are upheld. The Community knows how far it can go; in other words, it must not interfere in internal politics. Our policy has always been long-term and based on the utmost political neutrality.

These underlying guidelines — which, I repeat, can involve no trade-offs of any kind — must therefore remain for us the platform from which to launch a real effort to achieve solidarity and to press for improvement.

The motion for a resolution therefore has the full support of the Christian-Democratic Group.

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

**Mr Sandri.** — (I) Mr President, the principles which the motion for a resolution embodies are in themselves perfectly acceptable. However, the same does not apply to the opinion annexed to the motion for a resolution, because it seems to tell only part of the story and its political consequences could be serious.

Mr Bersani a few moments ago made an allusion to another country where violation of human rights was widespread and where luckily, said Mr Bersani, it seems that international pressure and other factors have improved or are improving the situation. Ladies and gentlemen, this country, which, unless I am mistaken, is Uganda, has undergone a change of regime not so much through international pressure — and we on the benches of the Communist and Allies Group have our doubts as to what extent there has been any — but because in conjunction with the uprising of part of the Ugandan people there was direct and — I hasten to add, so as not to be misunderstood — legitimate intervention from outside against Idi Amin's evil regime.

Be that as it may, the situation in Ethiopia is most complex and intricate and can be approached properly only if we stick to the principle of non-intervention and the protection of human rights, and also accept what could be called the march of history which, in the case of these backward countries throwing off the shackles of bondage and domination, has a very special significance.

**Sandri**

As regards the Ethiopian issue, we agree that all the horror that followed the fall of the régime of Haile Selassie cannot be justified; however, in the opinion reference is made, for example, to the fact that Ethiopia had waged war on a neighbouring country with the help of foreign troops. The fact is that Ethiopia, availing itself of outside help, defended herself against the aggression of a neighbouring country which had considered the time ripe to make its dream of a mighty Somalia come true by annexing the Ogaden.

So let us try and view the situation in overall terms and let us not be misled by half-truths. The Eritrean Liberation Movement has its office in Rome, and we feel that they have a well-founded claim. Nevertheless, this is no reason for us to refuse to acknowledge the claims of the other side.

In a situation of this kind, I feel that the Community should pursue a steadfast policy based on respect for human rights, without forgetting that an agricultural revolution has taken place and is still under way in Ethiopia which will take the country out of underdevelopment and domination, as Mr Cheysson told us some time ago. If we want to avoid forcing Ethiopia out of the Lomé Convention and if we do not want to justify the continued presence on its soil of troops from other continents or states, we must adopt a stand which combines political realism with the defence of the principles involved. The greater the extent to which this defence of principles is exempt from suspicion, the more we will be able to uphold these principles in all countries and not only in certain circumstances and certain countries.

Consequently, Mr President, while we support the call for respect for human rights in Ethiopia and throughout the rest of the world — specifically as regards neighbouring Uganda — we consider it would be more fitting for the European Community to pursue a line of action which would enable Ethiopia to take its place in the Lomé Convention. This approach is missing in the motion for a resolution and our Group will therefore abstain.

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

**Mr Jakobsen.** — *(DK)* Mr President, I have frequently, both in this House and in my own Parliament, had the dubious pleasure of voicing my scepticism regarding our frequent habit of adopting positions concerning events all around the world. I do not disagree with what we are doing in itself — I think we must protest, since we have done it so often — but perhaps you remember, Mr President, that the last time we were discussing such matters we were talking about Iran, and I warned you when you were intending to appeal to Iran to respect human rights that it was certainly the Shah who was involved on that occasion, you ought to address your appeal to the

Ayatollah in France. This subsequently proved to be well-founded since hundreds of people have been executed in Iran since we last discussed the problems.

What are we doing? In effect, nothing — but we shall go on doing the same thing time and time again. We talk about Chile and we talk very loudly, we talk about Cambodia, but very quietly in this case. I do not think we are achieving anything. I hope we will be more realistic in our approach to these matters in the new Parliament, which, I hope will include both the President and myself, and take a more realistic view of this myth of revolution which is virtually being romanticized in various quarters.

In fact, to be perfectly frank, it is nonsense to claim that these countries in Africa have been liberated. The truth is that many of these people are more enslaved than ever before. They are poorer than they have ever been before, they are more afraid than ever before and they are more oppressed than ever before. There is more political repression and there are more political prisoners than under the colonial powers in the past. How long are we going to go on talking this romantic drivel?

In my view, we should be realistic and I hope that this will be the case in the new Parliament. I realize I am speaking in a personal capacity and not on behalf of my Group, but I am certain that my Group will support this proposal. We shall do so because we have supported other proposals of this kind, but, if I am elected to the new Parliament, I will certainly advise against getting over-involved in these matters too often, since the fact is that we do not really know what exactly is going on, and by the time we have sent off our resolution, the situation has changed, as in the case of Iran, so that the resolution is in fact sent to the wrong address. However, having expressed my scepticism, Mr President, I will nevertheless support the motion for a resolution.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — *(I)* Mr President, as has been pointed out during the debate, Parliament has already discussed the violation of human rights in Ethiopia on several occasions. In this connection, I should like to refer you to the reply which Mr Cheysson gave in May 1977 to a question from Mr Granelli and Mr Scelba. We are keeping close track of developments in Ethiopia, and the information now reaching us — via our Addis Ababa office and from other sources — testify to the Ethiopian government's determination to bring gradually the situation in the country back to normal.

I feel it should be pointed out that a 120 million u. a. aid programme has been decided within the framework of the Lomé Convention and that this programme was drawn up in order to improve the lot of the Ethiopian people as regards agriculture and

**Natali**

medical aid. Our view is that there should be no halt to aid, as this would only exacerbate the plight of the Ethiopian people, which is already precarious enough.

On this basis, I too hope that the situation will return to normal as soon as possible.

**President.** — Thank you very much, Mr Natali, for that statement. It may be — and I should welcome it — that the appeal by Mr Jakobsen to our successors in the future Parliament will indeed be heeded.

18. *Statement by the Commission on the accident at Harrisburg*

**President.** — The next item is the statement by the Commission on the accident at Harrisburg.

I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) As you, Mr President, and the other Members will recall, the Commission, replying in Strasbourg on 24 April last to Parliament's invitation contained in the motion for a resolution submitted by Mrs Walz on behalf of the Committee on Energy and Research, undertook to submit a report on the accident at Harrisburg nuclear power station. It is now honouring this pledge. It should be stressed that the report is based on preliminary information, both oral and written, provided by the NRC or drawn from official publications. In view of the preliminary nature of the information, the content of the report must be regarded as tentative.

The report provides, firstly, a general description of the power station and a more detailed description of the accident, and goes on to examine the consequences of the radioactive releases and of the exposure of the environment to radiation. It then analyses the emergency measures available and their operation at the time of the accident, and draws some conclusions which will need to be reviewed in the light of further examination of the information on the accident, and in the light of the report to be submitted by the committee set up by President Carter.

In my speech on 24 April I outlined the course of the accident I do not think I need repeat this. Having read the conclusions of the report, I believe we can now begin to reflect carefully on what occurred and on how to deal with any unfortunate recurrence.

First and foremost, it should be pointed out that, although it started as an ordinary breakdown, it developed into a full-scale accident, resulting, according to the American authorities at this stage of the investigation, from a fateful combination of human and mechanical errors and a design fault. The accident could have had extremely serious consequences at any stage, but fortunately they were limited, although of

course the damage to the plant was considerable. The quantities of radioactivity released in fact led to slight exposure of the population and limited contamination of the environment.

However, I should like to stress that the accident has shown that some aspects of safety at nuclear installations must be examined carefully to ensure that safety checks can spot potentially dangerous operating faults as early as possible. In particular, inspection of nuclear installations is of prime importance. The inspecting authority should have the power to close down power stations which do not comply with the technical requirements.

Mr President, ladies and gentlemen, I think that this report, limited though it inevitably is, is of some importance. It focuses the attention of the Community institutions on what is sometimes regarded as an absolute necessity to opt for nuclear energy, and on ensuring that it is developed with an eye to safety. It also enables us to show that we have no wish to belittle the powerful reaction throughout the world to this accident and the continuing hostility to nuclear power stations to be found in a section of the public. The attitude adopted by the Commission is one of impartial but active vigilance. It wishes to reconsider carefully its own role and responsibilities in the matter, taking account of the means and powers at its disposal.

I can, therefore, with my colleague Mr Brunner's agreement, tell Parliament that the Commission, with this in mind, last week decided in principle to set up a high-level group of independent experts whose task will be to review the overall current position regarding nuclear safety within the Community. This group will also assess the current activities of the Community Institutions in order to make suitable suggestions for specific measures which the Commission could introduce as soon as possible. It will submit a report to the Commission by the end of the year.

Mr President, I hope that the report submitted by the Commission will be a really useful aid to knowledge, understanding and reflection for all the bodies concerned, whether responsible for energy policy, nuclear safety or environmental protection.

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

**Mr Flämig.** — (D) Mr President, I should like to start by thanking Mr Natali for his concise report. We have no intention of bringing up the whole Harrisburg incident yet again, nor to make more comments from the politician's point of view. We were allowed to enlarge on this at the last plenary session in Strasbourg. However, the Commission's announcement today is completely in line with our own view, and we would like to congratulate the Commission, Mr Natali

**Flämig**

for appointing these independent experts so that it can now, for the first time, give as extensive and objective a report as possible. If there is one subject which is a natural for Community action, if there is one subject which cannot be dealt with on a national basis, but instead is a real matter for international cooperation, then it is this question of safety. An individual country would always be tempted to take domestic considerations into account, and in the interest of the matter, this should not be allowed. For our part therefore, we are prepared to wait and see what this Commission Report will produce. What is more, Mr President, this leads up excellently to the next item, the Joint Research Centre, where we shall be concentrating on reactor safety.

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

**Mr Normanton.** — Mr President, it is not my intention to launch out into a major discussion of the statement which we have just heard, but just very briefly to recapitulate some of the points which I made on behalf of my group during the part-session in Strasbourg.

First of all, I welcome the fact that the Commission has deemed it politically prudent to come forward with what is described as an interim report. Secondly, I would say that the report so far, in its interim stage, is clearly totally inadequate to deal with the serious reactions which have followed upon the Harrisburg incident. Thirdly, I deeply deplore — and I believe this House will in due course come to the same conclusion — the way in which the media around the world have treated the incident at Harrisburg. To say this is in no way to minimize the potential seriousness of the incident; but it was inflated, it was distorted, it was magnified on a scale which was guaranteed to instil fear — yes, and panic — not just in the immediate surroundings of Harrisburg, but the world around, and it offered a hostage to those who, from political and a host of dubious motives, are committed to making the industrialized western world increasingly dependent upon oil and upon the sourcing of energy. It is this which, I hope, when the Commission come to make the deep analysis and investigation which they have promised to undertake, will be highlighted and, I hope, condemned by all who sit in this House. The importance of measures to maintain safety cannot be understated, but to distort the actual dangers is irresponsible, to say the least.

My point is one which has been made on a number of occasions by, I think, the chairman and other members of the Energy Committee. We as politicians have a very, very sober responsibility not to allow ourselves to be panicked and above all to stand firm so as to help our electorate to avoid being panicked, and the best way we can do that is by giving a lead in such sensitive areas as nuclear energy. This is one area

in which that leadership, certainly at political level, has been muted, and we now have to work and develop it to a point where it is heard and felt around Europe because a failure to do so will condemn the industrialized areas of the world to an inevitable decline in their industrial and technical capability. So, on the basis of the pledge made by Mr Natali, I look forward, and I am sure that the House looks forward, to the outcome of these investigations in depth.

I would only make two provisos here. Firstly, we are informed that it is to be undertaken in depth by experts: I think those experts' efforts should be paralleled by politicians as well. Secondly, there was reference to a more comprehensive report being made available by the end of the year: this, in my judgment, is not fast enough. I earnestly hope that the Commission will be able to come forward with a further and more comprehensive interim report by, say, October: that would be appropriate to help defuse the desperate panic and fear which is being exploited by those who wish to destroy our industrial and commercial capability.

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

**Mrs Walz.** — *(D)* Mr President, I listened with interest to Mr Natali's speech, although it was not really very satisfactory, as it contained little that was new. I think therefore, that there should be another report as soon as new facts become available. Although setting up a council of three wise men — as has already been done in another field — seems to me to be quite a good idea, where will you get the three experts who will truly be recognized by everyone as qualified experts. The same will happen to these gentlemen as happened to the energy experts: they also — since this is now something of a war of religion — will not be believed. Thus, I therefore think we should adopt a different approach, and a step in the right direction has already been taken by the Economic and Social Committee with its safety code for all nuclear power stations in the EEC. We should really make this safety code binding. However such a safety code is only of value if it is applied in the same way in the East and West, and this of course, is where the problem lies; the East is installing nuclear power stations on our borders which do not have the same safety regulations as our own — and our regulations may well be pushing costs up. There will have to be negotiations on an international agreement — perhaps through the International Atomic Energy Agency in Vienna — in which the Commission would be represented. No doubt this would take years, but for our own protection such a safety code with general training and operating regulations and standards is absolutely essential if we are to achieve maximum security all over the world in the use of nuclear energy.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Mr President, in thanking the Members who have spoken, I want to make clear that the purpose of my speech was to explain the report which we had promised Parliament. I pointed out that we have kept our promise and I outlined our future plans. Having taken note of the proposals and comments made here, we shall bear them in mind.

#### 19. JRC multiannual programme 1980-1983

**President.** — The next item is the debate on the report (Doc. 54/79), drawn up by Mr Flämig on behalf of the Committee on Energy and Research, on the proposal from the Commission to the Council on the Joint Research Centre multiannual programme 1980-1983.

I call Mr Flämig.

**Mr Flämig, rapporteur.** — (D) Mr President, the Committee on Energy and Research has devoted several meetings to this proposal from the Commission of the European Communities to the Council for a multinational programme of the Joint Research Centre for 1980 to 1983. In my capacity as rapporteur for this Committee, I should like to begin by reminding you that for many years the Joint Research Centre was the problem child of this Committee and this House, particularly after the ORGEL organically cooled reactor project collapsed in the late 1960s for lack of interest on the part of influential electricity supply companies. For years afterwards, the Joint Research Centre had to fight for survival, during which time this House consistently and repeatedly expressed its belief in the value of direct research. We think such research is justified and essential for reasons of safety, environmental protection and the harmonization of technical standards, to mention only a few aspects. It is also essential in that it enables research to be done on the kind of projects which are not or cannot be tackled at national level for economic or other reasons.

Mr President, in the past we have strongly criticized the starvation tactics the Council has repeatedly indulged in. We have also been highly critical of the never-ending series of strikes at the Joint Research Centre itself — although we regarded these strikes as an expression of the frustration felt by the staff of the Centre — and of the apparent inability to create an effective management structure at the Centre. Over recent years, however, the Commission has made genuine attempts to bring about an improvement here. Admittedly, we are still far from what could be regarded as an ideal situation. There are still shortcomings at the Centre, and a lot will have to be done to

make the Joint Research Centre more efficient. But there is no doubting the Commission's genuine endeavours to breathe new life into the Joint Research Centre by giving it new jobs to do within the narrow framework sketched out by the Council.

At this point, I should like to thank you, Mr Brunner and also Mr Villani and Mr Dinkespiler and all their genuine efforts to build up an effective management structure, to give the Centre a new lease of life and thus — as I said before — to improve the morale of the frustrated staff of the Centre.

There are a number of positive aspects in the new multi-annual programme. We can identify a number of central elements which are likely to dominate the future work of the Centre, one of which concerns the nuclear safety research programme. As I said in the previous debate, the Harrisburg incident has made this a highly topical subject. There is a general outcry for improved safety in the nuclear industry, and I should like to warn you against thinking that this whole issue has simply been blown up by the press. What we have here is a very serious situation which it would be impossible to overestimate. We therefore welcome the fact that the Commission has proposed that 48 % of the resources available for the overall multinational programme should be devoted to nuclear safety research. This underlines the importance and topicality of this work, and also its central character as far as the Joint Research Centre is concerned. Research into nuclear safety, and particularly research into optimum methods for the fuel cycle, is vital both politically and from the point of view of improving the energy situation Europe.

One final word on this safety aspect: we hope that we shall now achieve the kind of efficiency in this sector which has in the past occasionally been conspicuous by its absence. For this reason, we have incorporated a special reference to Harrisburg in our motion for a resolution, and after hearing from Mr Natali, Mr Brunner and his colleagues we now know that we are in agreement with the Commission on the importance of this matter.

Another central element of the proposed multinational programme is the study and protection of the environment. This aspect is, of course, closely connected to the reactor safety factor and here again we are tackling a matter of the utmost importance. The Joint Research Centre is also conducting research remote sensing techniques, and their application, for instance, to the early detection of marine pollution and to the location of agricultural resources. The ECDIN data bank for toxic chemicals is another example of the way in which the work of the Joint Research Centre is orientated to future needs and applications.



## Flämig

All this environmental research is undoubtedly of great current interest, and this kind of work is a typical Community activity, particularly in view of the need to coordinate this research work with national projects and carry on the work that would otherwise remain undone.

A third central element in the multinational programme is research into solar energy. This again is a linch-pin of our research into new forms of energy, whereby the emphasis will be on practical applications, and will, we hope, yield positive results both for European industry and for the developing countries. Here again, Mr Brunner, we believe coordination to be crucial, particularly in view of the fact that — as you know — industry has of its own accord pressed ahead with research and development work into solar energy and other alternative sources of energy, even — in certain cases — with the help of public subsidies from the national kitty.

One thing I would like to see the Commission do — and perhaps I might pass this on in the form of a suggestion — is improve their public relations work on research into alternative or new energy resources. There is no need for you to hide your light under a bushel. Just go ahead and tell people exactly what is going on. As an example of what I mean, let me remind you of the major symposium which was held a few weeks ago in Varese, and which unfortunately did not receive exactly overwhelming press coverage, although the event was attended by hundreds of scientists from all over the world.

Ladies and gentlemen, the multiannual programme proposed by the Commission is admirable in its clarity and technical detail. It reflects the determination of the Joint Research Centre to play a significant part in the Community's overall research efforts.

The Joint Research Centre is a directly-controlled research agency, in contrast to the kind of research commissioned indirectly by the Commission, and as such it has an important role to play in coordinating its work with the results of national and indirect research, with special reference to the public services sector. The areas of research to be tackled by the Joint Research Centre reflect the supra-national nature of Community policy. The Commission's proposed new multiannual programme is based on a virtual 50-50 ratio of staff costs to investment outlay, which our committee welcomed as being an extremely good ratio for a research institute.

The budget situation in this sector has undergone a major change compared with the situation a few years ago, in that the lion's share of the funds for the new multiannual programme — a grand total of some 543 million units of account — no longer goes on personnel costs. The Commission has paid heed to

the wishes and suggestions expressed by the European Parliament, and we should like to thank them for doing so. Lord Bessborough, the spokesman for the Committee on Budgets, will be saying a few words shortly on the financial aspects of this report.

As far as personnel policy is concerned, the Commission has proposed a short-term measure designed to bring the staffing of the Centre into line with the needs of the research programme. The JRC wants 70 additional temporary posts, over and above the number already approved. The Commission has undertaken to eliminate any superfluous posts by the end of the period covered by the programme. The reasons given for this temporary measure are the need to increase the mobility of the research staff and to tailor the JRC's staff to suit the actual work of the Centre.

Finally, Mr President, the new multiannual programme may be regarded as yet another stab at improving the management of the Centre. It gives the staff of the Centre a chance which it would be in their own interest to grasp. The Commission and the Directorates-General in Brussels are clearly trying to give a helping hand to the JRC, and we hope that this appeal will be heeded by those who will have to put this new attitude into practice.

On behalf of the Committee, I would ask you to give your support to the multiannual programme. Mr President, may I very briefly set out the position of the Socialist Group?

Unfortunately I have to admit that the sceptical voices in the Socialist Group were too loud to be ignored. Not all my colleagues were entirely convinced that this project will succeed in the way envisaged by the Commission. Reports of serious shortcomings which are alleged to have been uncovered by the Court of Auditors have made a number of Members of my group sit up and take notice. We Socialists would therefore ask the Commission most urgently to take the Court of Auditors' report seriously and to take the necessary remedial steps, however difficult they may be. Let me add, however, Mr President, that no one in my group went so far as to write off the Joint Research Centre entirely.

Summing up then, I may say that we want the multiannual programme to be carried out, and we think the continued existence of the Joint Research Centre is justified. We would, however, like to appeal to the new directly elected Parliament to keep a sharp eye on the Joint Research Centre. The honest efforts undertaken by the Commission deserve our support, particularly in view of the Council's reluctance to give direct research the attention it deserves.

The Socialist Group will be voting in favour of the report.

**President.** — I call Lord Bessborough to present the opinion of the Committee of Budgets.

**Lord Bessborough, draftsman of an opinion.** — Mr President, in a way I speak on this proposal in a dual capacity: as a member of the Committee on Budgets and the draftsman of its opinion, and as a member of the Committee on Energy and Research.

I can say immediately as a member of the Committee on Energy and Research that I am quite happy with the proposal. It is the best document of its kind that the Commission has transmitted to us so far, and I hope it augurs well for a general overall improvement in the quality of Commission texts.

But as a member of the Committee on Budgets — our opinion starts at page 20 — I had certain initial reservations about the proposal. Although the new programme represents a real improvement over that for the years 1977 to 1980, there are still some difficulties from the budgetary and financial viewpoints. These concern, as I think Mr Flämig has already indicated, the overall management of the programmes, the viability of these programmes and of the Centre itself in its entirety, the management of personnel and certain gaps in the budgetary and financial data.

However, there are some positive points worth mentioning. The draft decision stipulates that the figures for appropriations and staff numbers are of an indicative nature only. The financial resources to be made available are not too widely dispersed but are concentrated on a restricted number of projects, of which the scientific and technical value can be established fairly readily. The ratio between personnel cost and investment outlay has improved and now stands at 51 to 49: that is a reasonable ratio, a reasonable level. An effort is also being made, as we know, to rejuvenate the research staff. Finally, efforts have been made to improve the system for analysing the effectiveness of the programmes.

On the negative side, however, the Commission would not appear to have fully followed up certain requests made by the European Parliament, particularly in regard to the analysis of costs and the viability of projects. Certain of the difficulties experienced by the Commission also, of course, exist, as I know well, in national laboratories. These are well known. But so far this Parliament has not received the results of analyses that the Commission was to have carried out. Such studies of a cost benefit analysis kind should be made available to the Parliament when it is about to vote appropriations for the programmes during the course of the budgetary procedure.

Another point on which the Budget Committee has been disappointed concerns, as I said, the management of programmes. The observations of the Court of Auditors — Mr Flämig has referred to this — show that the Commission and the JRC have not yet

succeeded in putting this matter in order. I admit, as Mr Flämig has said, that there has been some progress in comparison with the past; but the past was so unfavourable that it cannot be accepted as a general point of reference. Because the Control Sub-Committee of the Budget Committee is looking into this issue, I do not propose, at the moment in advance of the discharge report, to go into the situation in great detail, but I must say this: in 1977, the Council decision envisaged that staff members would drop from 2118 to 2038. Now the Commission proposes, so far from a drop, an increase in staff from 2038 to 2260, an additional 222 posts, and these will be connected, of course, with the ESSOR reactor, which will not now be taken in charge by Italy after 1 January 1981. Well, as in every proposal for a research programme, the Commission draws attention to the problems arising from the ageing of personnel, and to remedy this it has asked to be enabled to anticipate the effect of the departure of certain personnel and to take on an additional 70 head of staff, over and above normal requirements. It nonetheless commits itself — I am glad to see this — to restoring the total number to the initial level by the end of the programme. As a member of the Budgets Committee, I am not at all sure that this is the right way to go about remedying the situation. It would cost 5 ½ million units of account over 4 years, and I would tend to the view that a normal recruitment procedure should be followed. When any person retires, then a replacement can be recruited if the vacancy cannot be suppressed. This has consistently been the line of the Committee on Budgets over the years. We have tried to ensure that new posts created were fully justified. To do otherwise without good reason would undermine our credibility. During the meeting of the Committee on Budgets of 4 April, this aspect was gone into very thoroughly indeed. The Commission officials present explained exhaustively the background to their proposal. Several members of the committee intervened in the discussion. Finally, after much discussion, we agreed to accept the proposal for the 70 additional temporary posts, but we did so on receiving two assurances from the Commission: first, that these new posts represent a transitional measure and will have the effect of replacing permanent posts by temporary personnel on contracts — that is an important point; and secondly, that officials over 60 years of age who retire will not be taken back on temporary contracts.

Members will see, on looking at paragraph 11 on pages 28 and 29 of my opinion, the conclusions reached by the committee. As these are set out clearly, I will not reiterate them here.

One other point, however, was made by the Committee on Budgets. It was felt that the Court of Auditors, when looking at the JRC, should consider the job responsibilities of staff, with a view to checking whether their gradings are appropriate and

## Lord Bessborough

whether they cannot be spread over JRC activities in a more effective manner. The time may well be at hand when the staff chart of the JRC should be examined very carefully. This is a technical problem which would take some time, but it is a task which should form a central element of a cost benefit analysis of the JRC, and I know that the Court of Auditors took special note of the remarks which were made on this point during our committee meetings.

For the four years 1980-83, the total expenditure, as Mr Flämig has said, comes to nearly 543 million units of account. A direct comparison with the old programme is difficult, because the present proposal contains projects which have previously been financed from outside the programme. Nevertheless, the Committee on Budgets would have liked to see comparative figures in the financial statement. The committee would also like to have seen a clear exposé of receipts that will arise from the programme as well as the exact implications of taking over the ESSOR reactor. Moreover the financial statement tells us nothing about the balance of the appropriations remaining in the old programme. The operation of the high-flux reactor is taken over as an ordinary programme financed by Germany and the Netherlands.

In all the circumstances, however, Mr President, the Committee on Budgets gave a favourable opinion. The two main reasons for this decision were that, first, the Commission has followed Parliament on several important points and, secondly, the present programme is a very good one, I believe, from the technical and scientific points of view. The remaining problems from Parliament's point of view should not hold up the adoption of the programme. I say this because Parliament and the Committee on Budgets will have the opportunity of going into certain aspects again during the course of the budgetary procedure for the 1980 financial year.

With these words I recommend the opinion of the Committee on Budgets to the House for its approval and propose only one amendment, which I have discussed with Mr Flämig and which I think he accepts; I know my group accepts it, and also it has been, I think, accepted by the Commission. It should be circulated and it reads as follows:

Insert the following new paragraph:

- 9a. Approves the recruitment of these temporary additional staff on the assurance that
  - (a) these new posts represent a transitional measure which have the effect of replacing permanent posts by temporary personnel on contracts of limited duration, and
  - (b) the officials aged over 60 years who retire will not be taken back on temporary contracts.

I hope nonetheless that the new multiannual programme enjoys success.

## IN THE CHAIR: MR HOLST

*Vice-President*

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

**Mrs Walz.** — (*D*) Mr President, ladies and gentlemen, I should like to start by thanking Mr Flämig for his excellent report, which — apart from the amendment mentioned just now, which we shall be voting for — we can go along with in every respect. We would also go along with the praise and criticism expressed by the rapporteur, who is our committee's great expert in this field. He has always turned out admirable reports, and we shall greatly miss his helpful presence.

On behalf of my Group, I should like to say that recent developments in the oil and nuclear industries have brought home to us all how right the Commission was in drawing up this multi-annual programme for the Joint Research Centre. The JRC is responsible both for research into alternative energy sources and for investigating the safety aspects of nuclear power stations. The importance of alternative energy sources will be discussed in the debate on the Brown Report, which is the next item on the agenda. We have consistently supported more research in this field and, in this field and, in the light of the Harrisburg incident, we shall probably now do so even more emphatically.

I should like to move on now to deal with the potential safety problems in connection with the light-water reactors, which will be simulated in the Super-Sara Project. This was a controversial project for quite some time, but it has now become established as a firm feature of the programme and will make use of the ESSOR reactor. This programme shows us — and that is the outstanding aspect of it — that a large number of accident causes, like those which happened in Harrisburg, can be simulated and investigated along with a large number of additional points, so that once this work has been brought to a successful conclusion, it will have made an outstanding contribution to our knowledge in this field.

Although we still know very little about what happened in Harrisburg — and what we have heard here today has added very little, although this was not the fault of the Member of the Commission — we are nevertheless in a position to say that we were all appalled at the uncertainty in assessing what had gone wrong. Indeed in some respect we were not even in a position to ask the right questions. The result of all this was that we then sometimes assumed the presence of hazards which simply did not exist. This is what happened with the dreaded gas bubble in the reactor core, which we thought might lead to an explosion.

**Walz**

This is something which must be avoided in the future, and this programme will make a contribution to achieving this. The project as a whole seems to be a good one, although there are still a number of questions regarding the Joint Research Centre which urgently need to be cleared up. On this point I would go along with the rapporteur and the draftsman of the opinion of the Committee on Budgets, because the complaints voiced in latest report of the Court of Auditors must be investigated extremely carefully, and in voting for this report, we shall by no means be voting for a veil to be drawn over the Court of Auditors' complaints. These must be investigated and clarified.

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

**Mr Baas.** — *(NL)* Mr President, I too should like to begin by expressing our appreciation of Mr Flämig's report, which will probably be the last to appear under his name. However, and despite the high quality of his report, there are a number of remarks I should like to make, which will probably run counter to the generally positive tenor of the remarks we have heard so far.

I am a bit surprised at the choice of new projects. As I have said on a number of occasions, Mr Brunner, in the course of your period of office you have moved from nuclear energy to coal, and now to a research programme for nuclear fusion. If my information is correct, we shall have to gather a lot more experience in nuclear fission before we can get any further with the problem of nuclear fusion. This, of course, is the criticism we hear of so many research programmes. Ever since the Euratom Treaty was signed, there have been heated discussions as to whether any practical use could be made of the research findings.

I should like to add my voice to the views already expressed by the previous speakers on the result of our efforts. This is, of course, an extremely controversial subject. I am reminded of the visit I once made to Unilever, in the course of which I asked — innocent as I was — whether the people in one particular office on the 20th floor knew what the people in the neighbouring office were doing. The answer I received was that this was not necessarily the case. The Court of Auditors referred to 'serious shortcomings', which is of course a very serious allegation, seeing as the Court of Auditors is known for its very cautious choice of words. The question we have to ask ourselves then is where these 'serious shortcomings' have occurred. Is it the organization or the whole approach which is wrong? Or was the Court of Auditors referring to the research staff themselves? Is it reasonable to come and ask for Parliament's approval for 70 additional posts while the situation is still so unclear? With all due respect for the Committee on Budgets, I find their new paragraph 9 (a) interesting enough in itself, but of course they can hardly expect us to take it seriously.

I realize that the Committee on Budgets is made up of extremely serious and well-meaning people, but their reference to new posts, representing a transitional measure, and to retired officials not being taken back on temporary contracts, smacks of an attempt to cloak their own uncertainty in a wording which may well hint at where the weak spots are to be found, but which could have been made a lot clearer on the question of the proposed 70 new posts. I should like to ask Mr Flämig whether he does not think we could offer our provisional cooperation on the creation of these 70 posts. We ought to be given more detailed information first, because I can hardly imagine that these posts have to be filled by 1 January 1980. All such programmes need time to work up momentum, and this programme covers a period of four years. If we agree provisionally to the creation of 70 posts, it means that the decision on these jobs will not be taken until the Court of Auditors' report has clarified the situation, and we have received more detailed information about the present staff structure in the JRC. If officials aged 60 and above are not counted as available manpower, it might be possible to make do with less than 70 new posts. My group is alarmed at the speed at which the Flämig Report had to be drawn up. The 4-year programme is scheduled to run from 1980 up to and including 1983. I should have preferred to see our successors in the directly elected Parliament tackle this subject, because we still have a lot of reservations about it all. Perhaps, in the course of this debate, the Member of the Commission will tell us that final decisions are needed now for the initial phase of a research programme like this one. I doubt it though.

My own experience in the business world has taught me that it is only after a programme has been running for two or three years that it becomes necessary to find qualified staff.

For a public authority, research and development is a superhuman task, or at least that is what I have found. There is a lack of motivation, drive and creative potential in bureaucracies. I have every respect for our officials, but creativity was probably not foremost in the selection committee's minds when they were engaged. Officials must of course possess other qualities, but they do not include the capacity for creative thought, which is so inordinately important in the research field. That is why I feel that we would do better to switch 70 officials in Ispra — and it is a pity that people aged 60 and over are to be excluded — to some other job.

In view of developments in the field of technology and research, does Mr Flämig really expect any major advances to be made in nuclear fusion between 1980 and 1983? Judging from what I have heard, we shall

**Baas**

need another 25 years to gain sufficient experience in nuclear fission before we can move on to tackle the problem of nuclear fusion. And even then we shall need a large slice of luck. Unfortunately, creative researchers are rather thin on the ground. For the time being, I would favour an agreement with a restricted number to begin with, certainly falling short of the proposed 70 new posts. If I have read the Committee on Budgets' amendment correctly, it allays my fears, and I am prepared to support it. But I should first of all like to know exactly what the Committee on Budgets is trying to do with its paragraph 9 (a).

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

**Mr Normanton.** — Mr President, first of all I rise to endorse the points presented to the House by Lord Bessborough when he considered the budgetary aspects of the multiannual research programme. Although he singled out a large number of points which, I think, could be usefully and profitably underlined I do not think that either the time or the patience of this House permits me to do so; but I would particularly commend to the House the adoption of the amendment standing in his name.

But the question of the policy being pursued by the Community is, I think, another matter altogether. I want to stress, if I may, some of the points which I have put to this House, and have certainly put to the Energy and Research Committee over recent years, and I would summarize them as follows.

Firstly, I think that to maintain and even expand a joint research centre on a Community basis is no substitute for the policy on research which I believe, and my group believes strongly, we should be pursuing. I am referring to the adoption of a policy for identifying, developing and strengthening centres of excellence. Indeed, I think that the measure and the manner of our continuous support for the JRC may well operate to make it increasingly difficult, if not impossible, to develop the idea of centres of excellence. In this sense we are, as a Community, I believe, failing to optimize our enormous potential for raising ever higher our technological capabilities.

Secondly, the trend towards enlarging the scope of the JRC's research activities — a point which, of course, has been referred to in the debate already — is, I am bound to say, to be regretted. I say this with a certain amount of pain and anguish, rather than anger, because this departure from the original conception of a Community research establishment — namely, Euratom and nuclear — inevitably entails more and more duplication of effort in the fields of high research and technology, where money and minds of appropriate calibre are themselves rare commodities not just within the Community but the world around;

and to waste by avoidable duplication these rare resources of money and minds is, I think, deeply to be deplored.

Thirdly, one of the ways in which we could avoid such duplication is to cast our glance over areas far wider than the frontiers of the Community, even if indeed for certain extremely important projects we have to finance research, yes, in isolated cases even in the United States, so long as we get the flow-back which comes from such selective and carefully designed projects. I have said on several occasions that the fact that we continue to fail to avail ourselves of the excellence of intellectual power which resides in the Weizmann Institute in Israel is another glaring example of the way in which a centre of excellence recognized the world over could and, I think, should — be utilized and incorporated into our programme for research at the highest levels. Research into solar energy — and I make no apology for repeating this — even after visiting and discussing the matter with the dedicated staff of the JRC is, in my view, a wasteful duplication of our resources when there is an outstanding availability of it both in the United States and at the Weizmann Institute.

Fourthly — this has been touched upon by honourable Members who have spoken already — cost-effectiveness. Cost-effectiveness has always been questioned when we come to considering the actual committal of more financial resources, whether it be for the JRC or for indirect research, and that challenging must continue, because that is our major role as parliamentarians. What I do not challenge, however — and I think it is very appropriate that I should say so — are the integrity, the dedication and devotion of those who manage or administer our research programmes in the JRC and in the Commission. But we as a Parliament must adopt a much more critical approach to the whole question of cost-effectiveness. I am delighted, therefore, to support Lord Bessborough in this repeated and insistent demand concerning the budgetary aspects. I have much sympathy — and my group would sympathize very strongly — with many of the points put to this House in this debate by Mr Baas.

My next point is the greater emphasis that should be laid on the allocation of Community funds to research projects conducted by and in industry itself. We should take a much closer look at the way in which the United States deploys its whole policy as far as research and high technology are concerned: the actual way in which funds are allocated, the way in which research is structured, and indeed the way in which the spill-over from those research investments by the State benefits not just a narrow sector, but the whole area of industry and commerce.

My last point is to stress as strongly as I possibly can what I describe as the impotence of Community

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research funding. We are failing to recognize the indivisibility of industry and technology so long as we continue to attempt an artificial demarcation between the areas, civil and non-military, in which we invest Community funds and those, which can only be described as military and defence, where we deliberately eschew investment. That is an artificial barrier whose continued existence will guarantee with absolute certainty that we in Europe lag and fall ever further behind the United States, with its unitary approach to the whole field of research. Until we adopt the same approach in Europe we shall continue to see an ever-widening gap and fall behind the onward march of American technology.

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

**Mr Veronesi.** — (*I*) Mr President, ladies and gentlemen, those who, like me, nearly always speak last have the duty — or should at least have the tact — not to repeat what has been said by other speakers. I shall therefore confine myself to a few comments. First and foremost, I wish to express a very favourable judgment on the Commission proposals and the excellent report by Mr Flämig which summarizes the Commission programme and highlights its salient features. We therefore have all we need to make an informed approach to the problem before us.

I should like to make some specific comments on the opinion of the Court of Auditors. I am not familiar with it, and my assessment may therefore be erroneous; I do not even know whether it has been circulated, or whether I could have got hold of it. However, I wish to deal with this subject despite my lack of information, since it has been to some extent the bane of my working life. I do not deny the value of administrative and operational control of a research institute; far be it from me to wish to express such ideas. I should mention, however, that before becoming a Member of Parliament I was for a number of years in charge of a research centre with about 100 researchers and 100 technical assistants. One of the main difficulties was the administration of this centre, because administrative rules often act as a straitjacket restricting initiative and work, and are counter-productive. My institute was supervised by Mr Ripamonti, the then Minister for Scientific Research, who in that capacity always showed great intelligence and open-mindedness. It must be borne in mind that researchers are exploring unknown terrain, and cannot foresee the procedure to be followed, as one can in a bank or on an assembly line. Unforeseen factors and a need to change one's approach can crop up at any stage, particularly when one is dealing with complicated problems for which even careful planning and the equipment made available can turn out at some stage to be inadequate; indeed, if we knew everything we would obviously not need to carry out research.

Moreover, when one has to run groups working abroad — in my case, four groups, one working at the Geneva SER, another in Germany, another in Britain and another in the Soviet Union — one must sometimes loosen the administrative restrictions to some extent in order to get results from the research. I do not know what objections the Court of Auditors raised, but I think that this problem will frequently arise in future. It is impossible to fetter research since it cannot be rigorously confined within purely abstract administrative criteria. When I, as a young man, began to do research, one of my teachers used to say to me: 'To carry out research one must imitate either herrings or cherry trees: herrings because, to ensure the survival of the species, they produce far more eggs than will develop into fry and then grow into herrings; cherry trees because they produce many more flowers than actual cherries.' By this I mean that if we become fossilized in our approach and obsessed with administrative questions we run the risk of extinguishing research work or imprisoning it in a cage.

Another comment I would like to make, in recognition of the Commission's goodwill, concerns the methods for a critical examination of the work; in particular, Part C of the document contains the 'operational methods', a series of procedures for supervising, checking and examining the results of the research. This is a basic point. The Commission report reveals genuine concern and — one might almost say — genuine worry, which concerns not only Community research but all research work, particularly when it has certain practical applications. The Copenhagen Conference — I think in July 1978 — was symbolic in this sense in that it tried to establish how scientific know-how can be adapted for industrial production and can act as a stimulus for the discovery of new technologies.

If I am not mistaken, this document constitutes the first explicit attempt to supervise and check the work of the research centres from a scientific rather than a financial viewpoint. I welcome this, although, as Lord Bessborough has already pointed out, an assessment of the past is still lacking; it is true that we now receive every six months the results and periodic reports of the various research groups — at any rate I receive them and I thank the Commission for sending them. This is very important information which I subsequently deposit in the library of my institute, where it is available to researchers and others. But there is still something lacking, in that we do not know what went on in the past, and are therefore not in a position to assess the present results of our research.

Moreover, I would remind the Commission of the indirect projects. Perhaps we know even less about the situation in this sector, and it is perhaps more difficult to draw up assessments and inform Parliament of the

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results of the financial resources devoted to it. I think there is room for improvement in this field, possibly with greater involvement of the Joint Research Centre, which could to some extent check progress more directly.

Before concluding I should like to make a last comment. I regard it as unwise to abandon the METRE programme, because, for one thing, it was highly regarded in scientific circles — indeed it was regarded as one of the best Commission projects. Even if it did not concern the nuclear sector, it could have been useful for the Member countries and the Community to develop a programme of this type, the more so since it was inexpensive, and was therefore a chance to seize.

I think a change of heart on this would be desirable — although I have not submitted an amendment to that effect — so as not to abandon this project, which on the scientific and technical plane has been accorded not only the approval but the convinced support of many scientists.

## IN THE CHAIR : MR SCOTT-HOPKINS

*Vice-President*

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, ladies and gentlemen, right at the start of this debate, I think we should pay tribute to the rapporteur, Mr Flämig. For years, the Joint Research Centre has been greatly indebted to him, because without him and without the support of the committee, the JRC would not exist today. I think the very least we should do, at this final part-session, is to acknowledge publicly this debt. We are very grateful to him for his efforts.

(Applause)

Mr President, the Joint Research Centre has for years been neglected and all but abandoned by its begetters. The unwanted and ailing infant was left to fend for itself, and it is only thanks to its adoptive parents — which in the end turned out to be this Parliament — that it has now recovered some of its strength and even gets the occasional good report from school. I am delighted to see this offspring of the Community growing and developing so well; if this were not the case, you would not be so critical of its as some of you have been today. You have given the child a good scolding the Court of Auditors says that it is profligate with its pocket money, and Mr Baas thinks that we should not give it any extra lessons in fusion research because it is too small and too stupid. Lord Bessborough and, even more so, Mr Normanton — and I am sorry Mr Normanton is no longer here, because I should have liked to congratulate him on his re-election — even go so far as to say that the child's growth should be stunted — it should remain a dwarf: the Peter Pan of scientific research.

Mr President, ladies and gentlemen, this is no way to carry on. We should be glad to have this Joint Research Centre at a time when we are trying to create a basis for a common energy policy in the Community, and at a time when we are having to contend with incidents like the recent one in Harrisburg. How are we to simulate incidents like these at European level, and how should we tackle the problem of harmonizing safety standards in Europe if we do not have the Joint Research Centre to fall back on?

I could make it very easy for myself and side-step all your detailed criticism by simply pointing to the need for this Joint Research Centre, but I shall refrain from doing so. However, before replying to your various observations, I should just like to say that if you had not helped to see the JRC through its lean years, you would now find it very difficult to set up anything along the same lines. I think you should be glad that it does still exist.

Moving on to your detailed points of criticism, let me first of all comment on the Court of Auditors' criticism of management shortcomings in connection with certain expenditure. The criticism voiced by the Court of Auditors is not of a general nature, but concentrates on the specific issue of expenditure in connection with the ESSOR Reactor. In reply, I must admit that in many respects we were not able to choose the kind of management methods which are rightly expected from the Community. But ESSOR is a very special case. The ESSOR Reactor is designed specifically for Italy and used by us under a contractual arrangement. This special situation has given rise to the need for a special expenditure system, which will thankfully not apply in the future programme. From now on, ESSOR will be incorporated fully into the four-year programme, so that this problem will disappear. We shall then no longer be obliged to use a special expenditure system simply because the contractual agreement with Italy obliges us to do so. This treaty with Italy was the only way we could prevent ESSOR from being shut down. There is no reason why we should be subjected to general criticism because of this one specific situation. There is no justification for that.

Turning to the question of staffing for the nuclear fusion project, let me point out that what we are trying to do is an entirely new departure, and we cannot do that by simply transferring staff from other projects. It is important that right from the word go we should have the right equipment and the right staff. When you take a decision to go in for something like this, you must be prepared to put it into practice. After all, this is a highly significant project designed to back up our other research work, like the Joint European Torus, the most ambitious fusion project in Europe.

**Brunner**

This fusion project has got under way thanks to your assistance. On 18 May, I shall be officially inaugurating this first large-scale project in Culham, and we must give it the support it needs in the form of a wide range of fusion research, such as we have started in recent years and shall continue to do, again thanks to your assistance. Let us not lose our nerve all of a sudden. Of course, we have no way of knowing whether we shall have a fusion reactor by the year 2020, but we are on a road which will lead to highly interesting developments. Recent experiments have shown that the method we have selected is the right one. Let us not waste this great chance we have of perhaps providing mankind with an inexhaustible source of energy. That is what it boils down to now.

You criticized the mix of the research programme, saying specifically that too much emphasis was given to nuclear research. Let me ask you this: in view of the fact that everyone in Europe is now calling for increased reactor safety, is it not right that we should be devoting 48 % of our research funds to this field? I think everyone in Europe will agree that spending money on this is both necessary and right. Indeed, I have set my sights even higher in the wake of the Harrisburg incident. I think the work of our Joint Research Centre should lead to our having a data bank with a store of data on all kinds of accidents, so that we can interrogate the computer to find out what kind of similar incidents have occurred previously and thus take remedial action in the shortest possible time. In the light of the Harrisburg incident, we shall perhaps have to review the programme and — surprise, surprise! — perhaps have to ask for even more money. With Harrisburg in mind, I feel that we should devote far more attention to supervising and harmonizing the training of reactor personnel. We cannot leave that kind of thing up to the firms operating the reactors. Here I see a potential future role for Ispra, and here again, we may need additional resources.

You said that 540 million EUA was a lot of money. Let me tell you that it was only with a great deal of difficulty that we managed to strike a reasonable balance between capital outlay and personnel costs — as Mr Flämig said, somewhere in the region of 50 : 50, not quite. We must stick to that ratio, and not revert to being a kind of welfare institute for our research officials, simply because the money required for the programmes is refused. This would mean doing the worst possible service to the officials themselves, their work and the Community as a whole.

At last we have got out of that kind of situation, so let us not now start bickering about piffling amounts. To do so would be pointless and inopportune. By our policy of increasing the mobility of our research staff — we now employ more people on the basis of

temporary contracts and fewer as permanent officials — we have improved the morale of the JRC, and we must now make a fresh start on this basis. I think your praise was due to the quality of the report drawn up by our officials, and perhaps this goes to show that even officials can show signs of creative thinking from time to time.

**President.** — I call Mr Flämig.

**Mr Flämig, rapporteur.**— (D) Mr President, in my capacity as rapporteur, I should just like to reply to a number of remarks which were addressed to me personally. Mr Brunner has just referred to the matter of the 70 additional posts. We in the committee naturally went into this question quite carefully, and we were told that the 70 additional posts had been applied for because of natural wastage in the Joint Research Centre as a result of retirement, death, permanent illness and so on amounted to something like 40 people per year, so that after the programme had been going for two years, the JRC would be short of between 70 and 80 people as a result of natural wastage alone. The point here is that the Commission does not always want to have to wait until the posts actually become vacant, because it is important that the staff changeover within the research teams should be as smooth as possible. You cannot simply stop work and tell the members of a team to wait until one of their deceased colleagues has been replaced. Young people must be brought into the teams in good time. But, Mr Baas — and perhaps we shall be able to agree on this point — once the programme has been brought to a conclusion, there will be no more superfluous posts; in other words, the number of establishment posts will not have increased.

I should now like to move on to deal with your question on nuclear fusion which, again, Mr Brunner referred to in his speech. We in the committee were told that this was by no means intended as competition for JET, and that Ispra had no such ambitions. There are, however, complementary programmes in this field, for instance, we had a hearing in our committee. I am sorry that the Liberals do not always manage to attend the committee meetings as often as we would like them to, otherwise they would know all this. We were told that a tritium test programme would have to be set up, because the fusion reactor will of course give rise to problems of its own, in connection for instance with the dangerous radioactive nature of tritium. We were also told that we should have to look ahead to the post-JET era. It is not enough simply to think that we can get on with the JET project and then decide what to do afterwards. Now is the time to be working out new plans. This is what the experts call software. Not everything we do is hardware; it also includes a good deal of software, i.e. like reflexion and coordination.



## Flämig

Mr President, as rapporteur I can go along with the Committee on Budgets' proposed amendment, because it underlines exactly what we want to see happen and, Mrs Chairman, makes it quite clear that the point is not simply to increase the JRC staff by devious means but to ensure that there is a smooth transition within the research teams from old to young.

**President.** — I note that no one else wishes to speak. The motion for a resolution, together with the amendment that has been tabled, will be put to the vote tomorrow, during voting time.

The debate is closed.

## 20. Draft estimates of Parliament for 1980

**President.** — The next item is the report by Mr Ripamonti, on behalf of the Committee on Budgets, on the draft estimates of the revenue and expenditure of the European Parliament for the financial year 1980 (Doc. 176/79).

I call Mr Ripamonti.

**Mr Ripamonti, rapporteur.** — (I) Mr President, ladies and gentlemen, with regard to the report on the draft supplementary budget no 2 of the European Community for the 1979 financial year, I would ask the Bureau for a postponement till tomorrow morning, since the Committee on Budgets which will take a decision on the matter will be meeting at 8 a.m. This evening, however, I am presenting the draft estimates of revenue and expenditure of the European Parliament for the financial year 1980.

As you know, Parliament has to approve its draft estimates of revenue and expenditure for 1980, which in accordance with Article 203 must be drawn up by 1 July and communicated to the Commission for inclusion in the general budget of the Community Institutions. The latter document must be submitted to Parliament by 5 October next. In the course of the October part-session the Parliament elected by direct universal suffrage will be able to make amendments to the draft budget and take the decisions which, as can be seen from the proposals in the explanatory statements for the draft supplementary budget approved earlier by Parliament, must be taken by the new Parliament in order to improve its structures, taking account of the increased number of members.

In drawing up the draft, the Bureau and the Committee on Budgets followed the debate of 15 March, and therefore based the draft on the establishment plan and appropriations in the budget for the financial year 1979, together with the decisions taken at the time of approval of the draft supplementary budget.

However, ladies and gentlemen, the Council of Ministers was not in a position to communicate to Parlia-

ment the supplementary budget for 1979 before the draft budget for 1980 was considered. Consequently, as envisaged in the motion for a resolution distributed today, we must refer to the decisions taken by Parliament on 15 March on the establishment plan in order to adjust expenditure appropriations for staff. Of course, definitive approval of the supplementary budget for the current financial year will make superfluous some of the decisions in paragraph 1 of the motion for a resolution, together with the footnote to it.

It is therefore proposed in paragraph 1 of the motion for a resolution to confirm the decision to create 107 permanent posts, two temporary posts, and 188 frozen posts, and to add eight posts to the reserve list for the groups. In addition to this confirmation, it is proposed to transform into permanent posts 25 local staff posts, in fulfilment of an earlier commitment by Parliament to bring this transformation about gradually. It was thought desirable by the Bureau and the Committee on Budgets to complete this transformation in 1980.

The establishment plan for 1980, drawn up in this way, will enable the Parliament elected by direct universal suffrage to take the decisions which it deems necessary by unfreezing posts without having recourse to the supplementary budget procedure. But as I was saying earlier the new Parliament could make further modifications to these provisions at the October part-session. This also applies to the expenditure appropriations. The amendments made concern the credits to ensure the payment of allowances to the elected members of Parliament to the extent envisaged by present regulations, and of salaries for the posts proposed. Chapter 100, Article 1 000, and Chapter 101, Article 1 010 create a reserve which, as explained in the motion for a resolution, is needed to defray the anticipated increased expenditure relating to the new premises which the directly elected Parliament will be occupying as its habitual places of work, possible adaptations of allowances and costs for members, financial consequences of decisions taken by the directly elected Parliament, initiatives undertaken by Parliament to acquire the home of Jean Monnet, and possible new needs to cover operating expenditure. The Committee on Budgets has reduced the operating expenditure proposed by the Bureau, but has decided to increase the reserve fund to enable the new Parliament to supplement these expenditure items through transfers.

The total of revenue and expenditure is 167 880 232 EUA, which is an increase of 15.36 % over the 1979 budget as modified by the supplementary budget. The most important changes in expenditure — I am coming to the end — concern expenditure on rents and property management, which once more brings out the fact that the location of Parliament's operational headquarters in three different cities involves

**Ripamonti**

excessive financial burdens, both with regard to rents and management of buildings, and with regard to staff, who would obviously be fewer in number if Parliament had its seat in a single place. I think that, apart from the consideration of the dispersal of work in three places, one should also remember that a significantly greater physical and intellectual effort is required of staff. All this affects the operating costs of Parliament. The Committee on Budgets asks Parliament to approve the motion for a resolution on the draft budget, bearing in mind that it is drafted in such a way as to leave ample opportunity for the directly elected Parliament to complete its own organization and take the final decisions both on the establishment plan and on expenditure.

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

**Mr Dankert.** — (NL) I should like to start by raising a point of order and making a proposal. We have just decided to postpone discussion of the supplementary budget for 1979 until tomorrow. There is an obvious and close link between the proposals in the draft estimates for 1980 and the points dealt with in the supplementary budget for 1979. To be specific: rumour has it that the Bureau is to meet tomorrow to discuss whether or not to withdraw the passage in Mr Ripamonti's motion which deals with the 188 frozen posts.

If we are going to delete the 188 frozen posts from the draft supplementary budget for 1979 tomorrow — and, as I said, that is what I have heard — then I feel that we can no longer include these 188 posts in the draft estimates for 1980, since this decision would put paid to the argument that these posts were essential for the proper functioning of the new Parliament. In view of this, I propose that discussion of the motion on the draft estimates of revenue and expenditure of the European Parliament for the financial year 1980 be postponed until after we have dealt with the supplementary budget for 1979, on which the Bureau will be deciding tomorrow.

**President.** — A motion has been tabled to adjourn the debate on this particular item until tomorrow so that the two reports can be taken together. The Rules of Procedure lay down that there should be one speaker in favour of the motion, and one against.

I call Mr Ripamonti.

**Mr Ripamonti, rapporteur.** — (I) Mr President, it is true that the Bureau has met to examine the supplementary budget, and tomorrow morning the Committee on Budgets, as I said earlier, will meet to take a decision both on procedures and on content, but this does not affect the discussion and approval of the draft budget for 1980. Indeed, the intention is to retain in 1980 frozen posts. There is no close link between the two matters, since any decision on the

supplementary budget will come into effect only after Parliament has been informed of it by the Council and has voted at a future sitting either to accept its contents or to amend it. However, I am not opposed to the postponement of the discussion until tomorrow morning if the President thinks it advisable.

**President.** — It is not a question of whether the President thinks it would be better or not; it is a question of whether the House so decides.

I consult Parliament on Mr Dankert's request to postpone this debate until tomorrow.

Since there are no objections, that is agreed.

21. *Communication on cooperation with developing countries in the field of energy*

**President.** — The next item is the report (Doc. 74/79) drawn up by Mr Flämig on behalf of the Committee on Development and Cooperation on the communication from the Commission of the European Communities to the Council concerning cooperation with developing countries in the field of energy.

I call Mr Flämig.

**Mr Flämig, rapporteur.** — (D) Mr President, the report now before us discusses a new, but by no means unimportant problem. The current increases in oil prices throughout the world are already causing us concern as to the situation in the 1980s. If we do not take preventive measures in time, the outcome will be serious enough for Europe but catastrophic for the Third World. Calculations made today already show that after 1980 between 15 and 25 % of the foreign currency earned by developing countries will go on purchasing crude oil.

On the other hand, we know — and this applies not only to Europe but especially to developing countries — that there can be no progress without energy. For us Europeans this is a market factor: 35 % of EEC exports go to the Third World. Against this background, let us look at the matter in hand. Lomé I concerned raw materials, food and agriculture, in view of the need to achieve political stability in the countries of the Third World. We have since recognized that this is not enough. The developing countries also require technical aid, in particular in the energy sector. They have to be put in the position of being able, step by step, to build up their own industrial capacity to develop their own agriculture and thus to increase their ability to feed their populations.

Until now, whenever we talked about technical aid for the Third World, particularly in energy policy, we always had large-scale technology projects such as the Cabora Bassa or Aswan dams in mind, and an industrial expert with whom we talked told us quite firmly: business with a poor man is no business. But this attitude will not get us very far. We have to rethink our

## Flämig

ideas, we have to — as I have already explained — help the Third World to help itself. However, that does not mean that we can simply transfer our technological know-how from Europe to the Third World. That would not help matters at all. Energy which is carried in cables or pipelines, such as circuit lines, gas mains and pipelines, etc., which we take for granted in Europe, is no good at all in countries with many islands, nor in developing countries where hundreds and often thousands of kilometres consist of uninhabited desert.

What is needed is small, self-sufficient forms of energy production, which are suitable for the consumer, require little maintenance, and are economical.

What these people need are not gigantic plants but instead — if I may put it this way — something more compact, i.e. domestic bio-gas plants, water pumps operated by wind power, perhaps one day solar cell generators, small-scale river power stations producing not in megawatts but in kilowatts. Thus the EEC should step in wherever and whenever things cannot function on their own.

The present report is a first approach to this subject. Its aim is also to encourage European industry to develop equipment, to develop technology which cannot be developed by the developing countries themselves, and which, on the other hand, has so far not been developed by our industry and our economy because there was no good business in it. At the same time, it calls on the Community to take the necessary measures to promote development of the equipment which I referred to just now. This is essential, if the Third World is going to be put in a position to produce its own small-scale technology. A typical example would be the bio-gas installations which are already in use today in Indian households and which operate on cow-dung. The potential demand for something like this can be seen from a single example. I would remind you of the triumph of the transistor radio. At the time when it was invented, no one thought about the significance which it would one day acquire for the Third World. The Japanese were the first to show us what could be done with it. Some of us, members of the Committee on Development and Cooperation — you were also there, Mrs Walz — visited dark huts in the heart of the jungle where the people were not even wearing decent clothing, but they did have transistor radios! We regard this as being a way, of giving illiterate people the chance of at least being able to listen to the news in their own language. As I have already said, this is just an example of small-scale technology, but this is where we must start.

Since there is not much time left, I do not want to read out every single paragraph of our motion for a

resolution. I cannot emphasize enough, Mr President, that this is only the first step towards solving the problem; further work is still required. I would like to thank the Commission for submitting this proposal. It proves that the Commission has recognized the problem. What is now necessary is to continue the work and especially, gentlemen of the Commission, to get the Council to accept these ideas. At this point, I would like to say to the new Parliament: keep alert, accept this inherited task, and make sure the Commission and the Council do their duty, for whatever is done to preserve energy in the Third World is simultaneously preserving peace.

Mr President, I would like to use my final words in this Parliament to thank all those who have helped me so greatly during the last ten years or so, and whom I hope I was also able to help, and my wish is that the new Parliament will form a Committee for Energy and Research, where our work could continue to bear fruit.

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

**Mr Veronesi.** — (*I*) Mr President, it is a pity that this debate has been separated from that on raw materials held yesterday, and from that on the European energy situation which will take place later. In fact the subjects are closely linked and a single debate would have made our comments more cohesive and thus saved time. The problem before us transcends the particular subject to involve the general one of our relations with the Third World. We should therefore be considering a very much wider picture. For the sake of brevity, I shall try to mention only the fundamental questions which I think should be examined in this debate on the specific basis of the documents before us.

We shall vote in favour of the motion for a resolution tabled by Mr Flämig, whom I thank for his work. In my view these are realistic and balanced proposals, compatible with social and environmental reality, that is with the historical and economic background of the individual countries.

I should like to make some comments on a few points. The first concerns mutual relations. Replying yesterday to comments by Mr Porcu, with which we Italian Communists do not agree, Mr Davignon reaffirmed statements repeatedly made by Mr Cheysson to the effect that the Commission is making an effort to interpret relations with the developing countries in correct and fair terms. We must acknowledge that as far as we know this is true. One must, however, realize that not all Western Europeans operating in the developing countries follow such a code of behaviour. We have even had debates here on scandalous cases involving the behaviour of some large undertakings.

**Veronesi**

We must therefore recognize the need for a new spirit in our dealings with the countries of the Third World. Last week in Milan, a Conference of Christians for Socialism examined relations between Europe and the countries of the Third World in view of the forthcoming European elections. There were strong recommendations to do away with the paternalist spirit which is always subconsciously present in our actions and assessments, and not merely to donate surpluses, but rather to encourage the emancipation and independent judgment of developing countries. I should like to give an instance of the intellectual honesty and capacity for self-criticism of the Italian Communists.

President Senghor of Senegal replied courteously to an article which had appeared in a paper published by my party's paper in which one of our correspondents expressed judgment on the situation in Senegal, which were perhaps superficial owing to the short time he had spent in Africa. President Senghor began by saying that he knew he was dealing with a responsible party and a responsible newspaper, but pointed out that the real situation of these developing countries requires a greater effort of understanding and that instead of judging by appearances, commentators must study their history.

Thus we were rebuked for not bearing in mind that in many cases these countries have to make up a development time-lag of centuries, and that they must therefore sometimes act according to their capabilities and not as rapidly as some would expect. Moreover, the most acute political observers took the view that one of the causes of the revolution in Iran was precisely the imposition of a modernization process which many Iranians have been unable to assimilate. There, then, are the recommendations and the political commitment which we make.

Let me move on to my second comment. In the report submitted to us it is stated that the United States consumes 8 tonnes of oil equivalent per inhabitant per year, whereas the developing countries consume 0.3 tonnes per head per year. We should think about that. Indeed, by trying to bring the developing countries to the level, if not of the United States, then of Europe, we would exhaust in a few years the traditional energy sources at our disposal. Moreover, the study made by Leontiev — a very well-known economist who needs no introduction — for the United Nations points out that, assuming an increase in the gross national product of 4 % in the developed countries and 6 % in the developing countries, the ratio of per capita income between them, which is now 12 to 1, will be unchanged at the end of the century. So all the theories of the 'locomotive' function of the developed countries, which must increase consumption to activate the market, are contradicted by this fact.

We must consider why and for whom it is necessary to produce. It is unthinkable to carry coals to Newcastle by stimulating consumption in the countries where it has already reached a level incompatible with the availability of natural resources. That is why I ask the Commission — we have also asked it of Mr Cheysson who has committed himself to it — to investigate wider perspectives beyond the narrow framework of short-term situations. For Europe and the Western world, what is required above all is a policy of energy saving and austerity. We Italian Communists have not been afraid to tell our workers that this is the only way to achieve a true economic recovery which would change the development and consumption model. In line with this, we shall vote in favour of the motion for a resolution, which — I repeat — seems to us to be balanced and realistic.

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

**Mr Osborn.** — The European Conservative Group supports the motion for a resolution in Mr Flämig's report, and we are particularly aware that the Community is dependent on some Lomé Convention states for uranium oxide. These states include Niger, the Central African Empire and Namibia, and, for instance, President Kaunda of Zambia has called for uranium enrichment facilities. Hence there is a need for the Community to consider with the partners in the Lomé Convention, within the framework of Euratom safeguards, the timing of eventual investment in nuclear power by developing countries which do not have either hydraulic or other potential sources of energy.

It should be mentioned that other research is being carried out, and the possibility of creating alcohol from sugar is being looked at in South America and could be applied in other developing countries. Mr Veronesi has pointed out the fact that the Community consumes 3.2 tonnes of oil-equivalent annually per head, and has mentioned the smaller figures in the developing countries, and he has made an impassioned speech outlining how the peoples in the developing countries are moving to a more industrially orientated society where there is the need for forms of energy. We must bear in mind as regards perhaps, the processing of sugar, which to a certain extent is energized from gas and other sources, that tractors and buses in the rural areas still consume oil or petrol, and therefore there will be a need in developing countries for much greater levels of consumption.

However modest the economic growth of developing countries, it must not be stymied by lack of energy, and it must not be oil-driven — not only because of

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the impact on oil prices, but because developing countries are already burdened in their payments imbalance by energy imports. There will be a need to invest in other sources of energy, of which of course solar energy has great possibilities. There is a need for energy conservation, but the Community's programme is modest. It is to list what facilities and energy resources are available, to list the requirements, and this is an initiative which should be endorsed, and the European Conservative Group does endorse it.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, you will recall that last October you endorsed a similar initiative. As for us, we shall not be deterred from submitting these programmes to the Council. I am sure that sooner or later — and in fact rather sooner than later — the Council will decide to support our plans in this field too. This is a beginning. We want an initial phase of practical cooperation with a very small group of countries which have expressed an interest. We want to draw up with them overall figures for energy supply and use, to see what they need and what they have, and to help them. Why do we want to help them? Not just for their sake. All that has been said here is correct. These countries are the first to suffer from rising oil prices, but we want to help them in our own interest as well, since the more they rely on their own resources, the more they will relieve the pressure on the world market as a result of their reduced oil requirements. I think we must gear ourselves increasingly to the fact that the world oil market will no longer be a normal one. It will be a long time before balance is restored between supply and demand. In such a situation, to worry about those who are worst off is not only a political but also a moral obligation.

**President.** — I note that no one else wishes to speak. The motion for a resolution, together with the amendments that have been tabled, will be put to the vote tomorrow during voting-time.

The debate is closed.

22. *Limitation of speaking time*

**President.** — Pursuant to the decision of this House of 16 February, speaking time will be limited to five minutes from now onwards to all speakers.

23. *Electricity production*

**President.** — The next item is the report (Doc. 19/79) drawn up by Mr Brown on behalf of the Committee on Energy and Research, on the need for

Community action to promote the exploitation of wind, wave and tidal energy for electricity production.

I call Mr Brown.

**Mr Brown, rapporteur.** — Anybody would realize, I suppose, that to discuss wave, wind and tidal power in five minutes is in fact doing the subject great justice.

(Laughter)

I will certainly do my best to indicate the views of the committee on the report that I had the honour to draw up. The report really has arisen from the argument that has crossed not only the various nations of Europe but also the world regarding wind, wave and tidal power as alternative sources of energy. I have been, and the House is well aware of this, one of those who has challenged this concept, and I have never accepted that these sources of energy were in fact alternative. I have always asked the question: alternative to what? Is it really contended that they could be alternatives for the large-scale production of electricity generation? If so, there is no evidence whatsoever submitted in favour of that view. But nevertheless there has been a continuing argument that wind, wave and tidal power ought to be funded by the Commission, or by the EEC, in order to try to realize these so-called alternative sources. Well, I reject the word 'alternative', and I therefore use the word 'additional' in my report because I think that is a much more realistic term: they cannot be called 'alternative'.

Secondly, what I have attempted to do is to identify each of these separate areas. I hope in the report it has been helpful to the House at any rate to see some of the background to these various types of additional sources. In the case of wind power, I have genuinely attempted to address myself to the problem. I did take a great deal of care to obtain as much information as was possible in order to ascertain not only the present state of the art, but what one could expect it to be at a reasonable time in the future. Therefore in paragraphs 17 and 18 I indicate what is happening in the Member States of the EEC.

I indicate, too, some of the parameters, financial and technical, which perhaps I hope will draw to the attention of the House the factors relating to this particular source of energy. I particularly went into detail because there was a sense of frustration between myself and the Commission over the Commission's decision that it will fund certain work on wind energy. At our various meetings, to put no finer a point on it, there was no meeting of minds between myself and the Commission on this matter. So I did do the Commission the honour of going to the IEA to discuss this issue, because it is my contention that the IEA is carrying out all the work that is necessary at this juncture to examine, and develop techniques for

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harnessing wind energy : not only with the nations of the EEC, but also with the United States and other countries beyond. I therefore, in order to make it quite clear to the House what is taking place, have drawn up in paragraphs 24 to 26 exactly what the situation is regarding the IEA, and I set it out in some detail. I have also set out in paragraph 28 what the proposals are from the Commission for wind energy, and they were kind enough — and I pay tribute — following our arguments, to update me, on what they were doing.

Therefore I have produced the two things, and I am bound to say to the House, and I have drafted this into my conclusions, that there clearly is no evidence whatsoever that the money proposed to be spent by the Commission — 3 million units of account : that is 0.5 in 1980, 0.5 in 1981 and about 2 million in 1982 — will in any way challenge any frontiers of knowledge, will in any way take us one jot or step further along the road than the IEA is already going. Therefore I am asking the House to support the views of my committee that in fact we make sure that the monies proposed to be spent shall not be spent.

If there is any argument at all about spending that 2 million, may I suggest to the Commission once again that two years ago I asked them to look at some special material that is called polyurethane foam. I urged them to examine this very dangerous material. Only yesterday in my own country ten people died because, in my view, polyurethane foam was available in that shop and has been responsible for those people dying because of the enormous burning rate of the foam and of the toxic fumes. Ten people, in my submission, have died in my country yesterday, when they had no need to die. I think the results of the investigations that are now taking place will finally come out that the large amounts of foam in the furniture store were responsible. And I say to the Commission : 2 million units of account could have taken us a long way to developing a safe foam which in fact could then be used in our countries. Therefore if this 2 million is available, do not waste it trying to retrace the steps of the IEA. Spend it on something worth while. Challenge this foam : try to find a new foam, and save real lives of people who are dying every minute — and yesterday 10 of them died.

Then I go on to talk about the argument for wave energy, and here again I took a great deal of trouble to ascertain the various types of wave energy which are at the moment being developed. I have considered, as will be seen, the different forms, the five forms of project taking place, and I have taken the United Kingdom as a classic example, because it has an enormous seaboard, and it can be used. You need such a seaboard, as it were, to optimize the use of wave energy, and as the House will see very clearly, from the report, in paragraph 47 I once again say that with

the limited budget available to the EEC it appears doubtful that money spent on a wave energy programme would yield sufficient results to justify the expenditure. It is my submission that in this field research would be better carried out by the national research programmes rather than the Community attempting to coordinate a project.

On tidal power, I visited La Rance, which is one of the two tidal power stations in the world, and there one saw a remarkable development : it had everything going for it. It is probably one of the most ideal situations for a tidal power station. It has the area, it has the depth ; it has the fall of tide ; it has everything that it could possibly have, and one of the interesting things we found there, of course, was that at the very moment I was looking at the generators, generating this enormous power, nobody wanted to use it, because it was the wrong time of the day. It was being properly covered by the base loads. Therefore you had this enormous amount of power for nothing, for nobody, because you cannot control the tides to ebb and to flow when you want. In the report I have taken the opportunity of giving photographs of La Rance, and the House will see that in figure 1 I show the layout to show the way it is built, while figure 2 is interesting because every hour the bridge goes up to allow ships to pass. When I looked for the ships I could not see any ships, and, as the House will see, when I took the photograph the only boat in sight was a very small cockleshell boat with 2-inch masts. In order to let that boat go through we had to use an enormous amount of energy to raise the bridge ; we had miles of cars on either side burning gasoline waiting to get across. It cost a lot more, to raise the bridge and keep those people burning their energy just to let this small cockleshell go through with a 2-inch mast that could not pass underneath. One questions where the energy source or energy savings were. Incidentally, I did get the third picture, which is very useful because the French had decided to challenge this argument that if you put turbines in seawater of this nature that you would get growth on them and they would be eroded by corrosion, and it is interesting in that photograph to note that they were able so to devise a small electric current to go through the turbine blades that it stopped the growth of any sort of marine encrustation.

I shall now go on to the general conclusions. In the motion for a resolution our committee says that we believe that further research and investigation should take place on these additional sources. We believe it is taking place in the separate nations, and I have identified those nations who are doing it. It is being done and coordinated together with a great deal of project work, by the IEA. Therefore what we are really saying is that we do not believe at this stage, apart from keeping abreast of the developments, knowing what is going on, transmitting information to the various states, that the Community itself ought to put its

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money in this at present. There is a vast amount of other work to be done, and I hope therefore that, despite the very short presentation, which my British colleague is forcing me to make in 10 minutes, the House will be able to adopt the report.

**President.** — I call Mrs Walz to speak on behalf of the Christian Democratic Group (EPP).

**Mrs Walz.** — (*D*) Mr President, I very much regret that the consideration of the report by my colleague Mr Brown has had to be cut so short. He has always been a colleague with a wealth of ideas, which is particularly well illustrated in this report. I hope that his report will in any case find the recognition it deserves in the press. I shall simply make a few brief comments on it. I share his view that the expression 'alternative sources of energy' is completely wrong in this context. It could indeed lead to the assumption that there is at present an alternative to traditional energy sources such as coal, gas, oil and nuclear energy and that these could be replaced. This impression is simply wrong, since no such alternative exists at the moment. It is quite correct, on the other hand to talk only of additional sources of energy.

However fond we are of additional sources of energy, we must realize that by the year 2000 they will most probably be able to provide at most 5% of requirements. That is an enormous quantity in itself, but still only 5% of total world consumption, so that a great deal of research still has to be done on this. I am sure that we can even do much more, although perhaps not so much in the field to which Mr Brown has just referred. We must definitely devote far more whether here or in the developing countries, to research on real alternative sources of energy such as solar energy and soft technologies as a whole. On this point I cannot help reminding you with some satisfaction of my report on alternative sources of energy, in which I called for such a research effort. Unfortunately you voted against it, ladies and gentlemen, but you will see it again, since it basically corresponds to both your intentions and mine, and I suppose that it was only pre-election bloody-mindedness which was responsible for its rejection.

We must therefore not let ourselves be blinded by too much enthusiasm for what is new. We still have a long way to go, and it thus makes sense for us to take a rational approach to the question of additional sources of energy. Accordingly, we shall in future continue our efforts to put a stop to unnecessary duplication of work and the resulting waste of money. This is also the aim of the seemingly rather negative wording of paragraphs 9 and 10 of our motion for a resolution. Our approach has been and will remain: yes to additional sources of energy wherever possible; no to unnecessary duplication of work.

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

**Mr Osborn.** — Mr President, I feel that in view of the treatment meted out to the rapporteur, I will have to be short. May I say that the Conservative Group endorses Mr Brown's very excellent and very extensive report, even if it is somewhat original in places. Wind and wave power have the obvious attraction that they are strongest in the winter when the demand for energy is greatest and tidal power has the advantage of regularity. The political decision — commented on in Resolutions 7, 8 and 9 — by a number of countries to investigate the possibilities for harnessing these sources of energy is wise. But Mr Brown points out that these activities are coordinated within the IEA, and it may thus be pointless at this stage to involve the Community in another coordinating exercise.

The real issue is what should be done internationally in cooperation with OECD or IEA, what should be done under the umbrella of Community coordination and what should be done nationally. The problem is to commercialize and operate these techniques. The fact that France has decided not to proceed with two further projects to harness tidal power is her affair. Britain could still look at the Severn and other estuaries. The Commission and the IEA could take up an observer role, help from the European Investment Bank or the use of the Ortolí facility could possibly enable commercial prototypes to be built.

I have seen some of the Salter work, the Salter's 'ducks' and other wave processes which have been put forward. There is no doubt about it, whether we call it alternative or additional sources of energy, whether it could count for 5% or more of the total, there will be alternative energy sources, particularly to petrol and liquid hydro-carbons. Electricity generated by these methods would probably be two to three times as costly as normal generation, including nuclear power with the difficulties it involves. On the other hand, there will be increasing shortages of energy, and I hope that this work can go ahead and go ahead vigorously even with the Commission as an observer. And I hope that money will be quickly invested in prototypes large enough to make the cost estimates a good deal more definite than is the case at the present time. With those reservations — and there are reservations on who should back it, who should coordinate it — the Conservative Group supports Mr Brown's very original report.

IN THE CHAIR : MR YEATS

*Vice-President*

**President.** — I call Mr Broeksz.

**Mr Broeksz.** — (NL) Mr President, I should like to point out that not everybody in our group agrees with Mr Brown's report. Although we agree that it is essential to look for alternative sources of energy and that we have perhaps not been very successful in this respect in the past, this does not mean that we should not continue looking into the potential of tidal, wave and wind energy. Although this might well result in an energy saving of only 5 % in future, we think that even this 5 % is worth the effort. When you think that we are currently trying to reduce oil consumption by 5 %, then a saving of that much is not to be sneezed at. We all know that both oil and, to a lesser extent, coal reserves will run out some time, and that we have to look for other sources. I cannot imagine that anybody thinks the Commission should not be involved in this field. Another point is that we think the Commission should try as far as possible to make use of the data from studies carried out elsewhere. On behalf of a number of Members in my own group, therefore, I should like to state that we feel this research should after all be continued, in collaboration with other bodies, and that the money spent on this may well in future prove to have been money well spent.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) When I was discussing Mr Brown's report with my colleague a moment ago, he told me that he thought the report was very good. I share this view, and the report would almost have convinced me had it not been for two weak points. The first of these is that you speak about the project run by the International Energy Agency.

It is a large-scale programme which has unfortunately only been put into practice in very few small projects, in which by no means all the Member States have participated. Thus, for example, the United Kingdom, France, Italy and Belgium are not involved. The second weak point is when you state that we should coordinate. In order to coordinate we need to acquire a little bit of experience of our own. Give us this bit of experience by granting us 3 million units of account over three years. That is not too much to ask; it will enable us to coordinate effectively and has the advantage that the countries which are not involved in the IEA projects can join ours.

**President.** — I call Mr Brown.

**Mr Brown, rapporteur.** — Mr President, I am rather surprised by what my colleague has said. Two of my colleagues from Holland did in fact raise the matter with me, but the rest of the colleagues in my group were in favour of my report. I am bound to say to him that I did try to explain to him that if he looks at the motion for a resolution he will see that we say exactly

what he says. We are saying, let us go ahead. I am sorry but if you look at points 6, 7 and 8 they specifically say, go ahead.

I say to Mr Brunner that I challenge what he is saying. The IEA is going ahead with its work. Therefore I set out in the report what the Commission proposes to do with the 3 million EUA. I am not saying that it is too much. It is too jolly little. It will not even pay for the men's lunches when they come to talk about it. There will not be enough money left after they have paid for their lunches. If you had said 30 million, I could understand it. But 3 million is nonsense. Paragraph 28 lays out exactly what they are proposing to do as do paragraphs 24 to 27, in which I outline what they are doing. If you look at those two things then you will see that there can be no argument in favour of the Commission going ahead. I am saying to them, let us do a lot of work. There is a great deal of work to be done. Plastic foam! Do it quickly! Save lives! That will be 3 million EUA well spent. But do not waste it in this way. I say to my colleague, we are going ahead, we are in favour of going ahead and the IEA are doing it. I urge my colleagues to go and visit IEA where the Netherlands are involved in many of the projects being carried out. There have been minor criticisms, but I really believe that I have answered them in the report. I am saying that we must continue the research. But instead of spending three million units of account in the way suggested here, let us do it in the national way, and let us make sure that it is done properly.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote tomorrow during voting-time.

The debate is closed.

#### 24. Energy situation in the Community

**President.** — The next item is the report drawn up by Mr Flämig (Doc. 96/79) on behalf of the Committee on Energy and Research on the energy situation in the Community.

I call Mr Flämig.

**Mr Flämig, rapporteur.** — (D) Mr President, I shall be very brief, because this item only figures on today's agenda as a result of a technical hitch. The report was discussed in January, and two proposed amendments, which had previously been withdrawn by Mr Noè, were adopted here in this House. As a result of this, the outcome of the debate was falsified. All we need to do today is to rectify this error. This does not mean to say, however, Mr President, that the Community's energy situation has undergone no change between January and May. The situation is of course constantly in flux, and we should like to point out that this report represents nothing more than the reinstatement



## Flämig

of the situation which the Committee on Energy and Research wanted. We would ask you therefore formally to adopt the original motion for a resolution.

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

**Lord Bessborough.** — Usually short speeches are perhaps the best, so all I will say is that I certainly support Mr Flämig's motion.

As the motion points out, the energy situation in the Community is seen, poignantly, as the result of events in Iran which resulted in the suspension of around 10 % of the world's oil supplies for a period of three months. Average contract oil prices in 1978 were around \$ 12.20 per barrel. In the early months of this year, spot market prices were in the region of \$ 24 to \$ 25. The first lesson to be learnt is that the Community cannot allow itself to be subject to an energy situation in which a loss of a single major source of oil — in the case of Iran a loss of 17 %, which was partially compensated by other oil producers — leads inexorably to a 100 % increase in the price of oil. The Council has agreed to a 10 % reduction in the Community's oil consumption. This could be achieved if oil-fired electricity-generating plants were phased out. But to cut out oil-fired electricity generation in the Community would result in a 10 % decrease in the Community's oil requirements, and a saving in the Community of payments of \$ 5 billion, based on last year's prices. Now the Community is faced with an increase in its oil bill of approximately £ 16 billion. The current account surplus of the oil producers in 1979 is estimated at \$ 145 billion. The Community's oil suppliers may not be prepared to accept payment in inflating currencies. The creation of the European Currency Unit is a step in the right direction, but we do not yet know whether it will enjoy the confidence of suppliers who currently place their trust in the dollar.

Finally, the Community, like the United States, runs the risk of political and economic conflict with countries, some of whom are friendly to us, others whose friendliness is uncertain, our thirst for oil is not reduced by stepped-up investment in coal and nuclear power now. The influence of the Soviet Union in the Gulf ought not to be forgotten. Europe's Achilles' heel is well exposed.

My farewell word is this: the destiny of the Community will be decided by its determination to forge an effective European energy policy.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, I am glad to have the chance of following on Lord Bessborough's last speech in this House. Over the years he has been of great assistance to us in

developing a common energy policy, and we should like to thank him most warmly for his efforts.

Mr President, I am criticized in the media for saying that we are in a situation of constantly rising prices. I think it is better for us to realize this and to face facts and do something to remedy the situation, rather than try to dodge the issue. We are not going to change things for the better by refusing to talk about them. The supply and demand mechanism has for the time being broken down on the world oil market. The price of oil is increasingly being determined by the level of production, and the production trend is falling. This situation will persist over the next few years, and we must take steps to cope with it.

What is the present situation in the European Community? We must expect to have a 6 % shortfall in our imports of crude oil in the first half of this year. On 1 April 1979, we had enough in stock to last 100 days, compared with 117 days on 1 January. In many products, our stocks have fallen even below this level; for instance, we only have sufficient stocks of middle distillates to last for a little over 90 days, and a number of countries have even less.

And what is the situation *vis-à-vis* prices? Already in 1979 we have had to swallow price rises of an average of over 20 %, which means — as Lord Bessborough said — an additional 10 to 16 thousand million dollars on our oil import bill. This will add more than one percentage point to our rate of inflation, and the situation may yet get even worse. It is high time we came to terms with this situation, and we must now pull out all the stops to make at least a start, so that in a few years time we shall have restored balance to the market. All this is happening in a time of great uncertainty, when the market is affected by unpredictable political developments. To round off the point I am making, let me remind you that the spot market in Rotterdam is experiencing extremely erratic price movements. Since the beginning of the year, the Rotterdam market has seen price increases of over 50 % for gasoline over 80 % for the middle distillers and over 90 % for heavy heating oil. These prices are by no means representative. The Rotterdam market accounts for only 5 % of total trade, and we must not fix our attention solely on these erratic movements. That would be a great mistake. For that reason, it is right that the Commission should now be investigating this market once again, because these price movements are abnormal and we must not allow them to be adopted as indicators for the oil-producing countries to base their calculations on.

Having said that, however, we must also realize that it is high time we entered into open-ended discussions with the oil-producing countries. I hope we shall make a start at the 17 May meeting of the Council of Ministers.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote tomorrow during voting time.

The debate is closed.

25. *Directive on the protection of the interest of Members and others in sociétés anonymes*

**President.** — The next item is the report (Doc. 136/79) by Mr Schmidt, on behalf of the Legal Affairs Committee, on the

proposal from the Commission to the Council for a Fifth Directive to coordinate the safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, as regards the structure of *sociétés anonymes* and the powers and obligations of their organs.

Mr Davignon, the Commissioner who is to deal with this item, is unfortunately not yet here. Are you willing, Mr Schmidt, to proceed in the Commissioner's absence? Otherwise we shall have to adjourn the sitting.

**Mr Schmidt, rapporteur.** — (D) Mr President, that depends to a great extent of course on when this report could then be discussed. In my opinion, after it has been under discussion for seven years, it must now be adopted. If you can give an assurance that it will be the first item on the agenda tomorrow, I would be in favour of adjourning the sitting, since it is important that we discuss this matter in the presence of Mr Davignon.

**President.** — I am afraid, Mr Schmidt, I cannot give you any assurances about tomorrow's business but I think we can guarantee it will be taken in the morning. It is highly unsatisfactory that a report such as yours, which, I believe, has 23 amendments to it, should be left over in this way. You would not be willing to start off tonight, would you? The Commissioner, I believe, will be here fairly soon.

**Mr Schmidt, rapporteur.** — (D) Mr President, I shall make a start today.

As I mentioned just now, the European Parliament has been considering this directive since 14 November 1972. Three rapporteurs have made sterling efforts to speed things up, and the secretariat of the Legal Affairs Committee, too, has put in a great deal of work. Before I go any further, I should like to express my very sincere thanks to this secretariat for its work in this connection.

As the last of the three rapporteurs I therefore have the honour of representing of the Legal Affairs Committee in this House today. However, I must add that, in view of the many and varied efforts to keep this matter under constant discussion without, however, adopting a definite position, and of the like-

wise many and varied efforts to keep on watering down the substance of the Commission's proposal, I doubt very much whether this day on which it is my privilege to present the report will be a very happy one.

What is the purpose of this Fifth Directive? It is to harmonize company law in the Member States. What is this intended to achieve? It is intended to facilitate the free movement of capital, to boost investment potential in the various countries and to make it possible to eliminate, or at any rate reduce to a minimum, structural differences which may contribute to a distortion of competition. Naturally, harmonization of this kind cannot go ahead without disruption of existing, in some cases traditional, national developments and regulations. I fully agree with the Commission's view that, provided the substance of the directive is not affected, a flexible approach is called for, and the directive takes this into account. It lays down transitional provisions for a wide range of matters, but also specifies matters which will continue to be regulated at national level in future. However — and I should like to make this quite clear — not only flexibility but also a certain sense of purpose is required here. We must know what we want.

The first problem which I should like to mention is that of the structure of companies. The dualist system — that is, the system which makes a distinction between the management organ and the supervisory organ — is in my opinion the one which at the present time not only meets the needs of large firms and groups of companies and satisfies the general public's demand for more 'transparency' on the part of such undertakings, but also best takes the interests of shareholders and employees into account.

I believe therefore that we in this House ought to come out in favour of the dualist system albeit — it must be granted — with a transitional period to enable companies to adapt to this new structure.

The second problem — perhaps the crucial one — which in fact has also helped to prevent this directive and the report of the Legal Affairs Committee from being adopted for so long, is that of employee participation. I should like to state at the outset that my work on this report was directed towards establishing basically what this House adopted with a large majority in the Statute for the European Company. I am thinking of names like Burgbacher or Springorum, whose background did not exactly make it possible to assume at the outset that they were particularly open-minded on questions of employee participation. It was they who — like Mr Brugger, who played a considerable part — contributed to our success in embodying genuine joint representation in the Statute for the European Company. Now the objection is occasionally raised that that is all well and good, but that the one thing is optional and the other mandatory. A

## Schmidt

great deal can be made optional, but great care must be taken with mandatory provisions.

I should like at this point to state one thing quite clearly and plainly: anyone who agreed to one-third representation with the intention of making the statute for the European Company just so much worthless paper from the very start was basically guilty of using deception tactics, since without harmonization of national company law at the same level no person, no firm, will ever make use of this possibility afforded by the European Company. I think it may even be said, that if we do not achieve a breakthrough here on the same level, then the statutes for the European Company is not worth the paper on which it is printed. It sometimes touches on a strange chord to hear that an appeal to the Council to adopt the statute for the Company is to be written into motions for resolutions while the same provisions are rejected for the present discussion. As I see it, both the Commission — which I can address for the first time now that Mr Davignon has arrived — and quite a few supporters of the European Company must be at least mildly reproached for the fact that the courage which they showed at that time — perhaps in the secret hope that the Company would never be feasible — has deserted them today.

The proposal under discussion today goes further than the Statute on only two points. Firstly, it proposes to reduce the number of workers to be used as a yardstick for the introduction of employee participation. In my opinion, however, one thing must be borne in mind: the Statute for the European Company was adopted as long as five years ago. In the meantime there has been a strong trend towards a reduction in the number of workers, and rationalization measures have been taken which have resulted in a streamlining of the workforce, so that it is only logical to no longer take as the criterion the size of workforce which at that time was possibly fully justified.

The second point where this report goes further than the former proposals concerns the introduction of an additional criterion, namely turnover. In my opinion, we would otherwise be penalizing a great number of firms. There are, as you know, firms which are highly labour-intensive and would thus be subject to the regulations on employee participation, although they may have a considerably smaller turnover than many firms which, with a small labour force and intensive use of machinery, have a completely different level of output and productivity.

It is my view that some sort of balance must be struck, since we can no longer make any headway with the sole criterion of the number of employees.

I should now like to draw attention to the following, which is clearly stated in this report. Anyone who wants employee participation must also define what it

is that he wants. There are two important points on page 16 of the proposed amendments.

As regards the matters on which employees should have the right to be consulted, the text mentions the position, development and future prospects of the company, its competitive position, and its borrowing and investment plans. So much for the right to be consulted.

Secondly, the text lays down that the agreement of employees must be obtained in the case of measures involving a change in working conditions or the structure of the company's organization, of the establishment of general criteria for the appointment and dismissal of employees, in the event of mass redundancies and in the establishment of a welfare plan — as is frequently the case on such occasions — and in the event of a merger.

As I see it, anyone who has seen the workers' dismay at such measures ought logically to be able to bring himself to acknowledge that employees must have joint decision-making powers in such matters. On this point I quote a sentence from the report and from the Commission's proposal, which reads:

It is the fulfilment of a democratic principle that people who are affected by the decisions of social and political bodies should have a say in the formulation of such decisions.

They can have a say, however, only if they have joint decision-making powers on matters which particularly affect them.

I should like here to single out a further point which has been amended somewhat, although I do not regard this as so serious. In my opinion, when the Commission's proposal lays down that there is to be an employee director or a member of the board to deal with personnel matters, then this, only this and precisely this member of the board should not, as in our system of employee participation in the coal and steel industry in the Federal Republic of Germany, be able to be appointed or dismissed against the wishes of the employees.

In my view, this is a very important point which will definitely contribute to the maintenance or establishment of peaceful industrial relations. As it is very late and you have set a time limit, Mr President, I have singled out just a few points in which the Legal Affairs Committee wants the Commission's proposals to be amended. I would ask this Assembly to approve the motion for a resolution. In my opinion, the fundamental ideas of this motion for a resolution can be taken just as well from the encyclical *rerum novarum* as from fundamental socialist ideology. I believe that the European Parliament — the one that has not been directly elected — has here the opportunity at the eleventh hour, so to speak, to show that it is willing to face up to the fundamental social challenges of this day and age.

**Schmidt**

Anyone who calls on the Council to adopt the European Company must be prepared at the same time to accept the principles thus adopted when it comes to harmonizing national law. Shrinking back from principles adopted in connection with the European Company also robs the European Company of its significance. This House should therefore be so progressive as to approve also the proposal of the Legal Affairs Committee and the present motion for a resolution bearing in mind the vote on the European Company.

**President.** — Before I call any speakers for the groups, there is a matter on which I wish to consult the House. Strictly speaking, we should be adjourning this sitting at 9.00 p. m., but I would suggest that, if Members agree, we continue until 9.30. Is there any objection to this procedure?

That is agreed.

I call Mr Sieglerschmidt to speak on behalf of the Socialist Group.

**Mr Sieglerschmidt.** — (*D*) Mr President, ladies and gentlemen, I should like to express my utmost regret that for reasons of which all present are aware, this limit has had to be imposed on speaking time; it is not — and on this you will surely agree with me — commensurate with the importance of the subject. I can therefore only pick out in a few phrases the points which I think particularly important in what I was actually going to say on behalf of the Socialist Group. If this Directive is adopted in the form proposed by the Legal Affairs Committee, it will represent a considerable step forward for the protection of employees' interests.

I should like to stress the points which have already been briefly mentioned here, but this time expressly on behalf of the Socialist Group. Firstly, there is the proposed form of employee participation on the basis of parity, which provides, while maintaining parity of representation, for the setting up of a workable supervisory body in which a third of the members are elected by the representatives of the shareholders, a third by the employees and a third by both groups together.

Secondly, there is the appointment of an employee director who cannot be appointed or dismissed against the wishes of the majority of the employees' representatives. Thirdly, there is the introduction of realistic criteria for determining in which companies these forms of employee participation are to be brought in.

Finally, it should be noted that this proposal for a directive lays down in very precise terms the rights of employees' representatives as regards information and consultation.

Mr President, I am well aware that this last measure is proposed only for the duration of a transitional period and only for the unitary system. I should like to say quite clearly, however, that in the opinion of the Socialist Group it would be most welcome if all those Member States which do not yet have this form of the rights of employees' representatives in their national legislation would introduce it immediately, regardless of whether they have a dualist or unitary system.

The proposal as it stands is balanced in two respects. Firstly, because it reconciles the necessities and realities of the Member States' regulations with the Community aims to be pursued in these areas; and secondly, because the interests of employees and shareholders have also been brought together in a sensible compromise.

It is to be welcomed that the motion for a resolution urges the Council finally to adopt this Statute for the European Company — which has been before the Council for five years now, I believe, Mr Schmidt.

We note with great satisfaction that the Christian-Democratic Group makes the same demand in its amendment. However, this is where the first contradiction arises. It is not possible — as the rapporteur stated — to call for this statute for the European Company, while at the same time rejecting it by tabling an amendment advocating a solution which offers far less than what has been agreed in my country, for example, on the basis of a compromise between the Social Democrats and the Free Democrats. If the employees are to get only one third of the places on the supervisory body, while the other two thirds are to go to the general meeting, it is something of a joke to continue to speak of parity of representation — and that is the second contradiction in your amendment. No, that is not a viable compromise and I have the impression that you are getting out of it neatly here and do not want to say either yes or no to genuine employee participation on a basis of parity. As regards the Conservatives' proposals, Mr President — and this is my final point — I should just like to say briefly that they typify the reactionary and anti-worker attitude of the new Thatcher Government, and therefore speak for themselves.

We, at any rate, will support the version proposed by the Legal Affairs Committee, and the millions of employees in the European Community can rest assured that we will not leave them in the lurch.

**President.** — I call Mr Caro to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Caro.** — (*F*) Mr President, like Parliament's Committee on Social Affairs, the Christian-Democratic Group considers the proposal for a Fifth Directive to be in keeping with the Community's aim of harmonizing the national systems. It sets out its options in the framework of outline legislation; it establishes a system containing flexible provisions facilitating this development and, in addition, grants the necessary time for thought and examination by means of a transitional period. These are just the kind of features we wanted.

Although there are certain things to be said on the substance — and I shall deal with them at the end of my speech — I should like to say first that the report presented on behalf of the Legal Affairs Committee by Mr Schmidt completely transforms this Fifth Directive as we understood it. Although expressing very noble ideas designed to promote the representation of workers — a development which is bound to come about and which we welcome — it distorts this directive by taking away, by virtually eliminating, its evolutionary nature and making it binding, virtually disregarding — involuntarily I hope — the situation in the countries where the conditions obtaining are nowhere near the minimum conditions for implementing participation of the type proposed in this report.

As it thus robs this directive of the continuity of effort and study required to bring differing viewpoints closer together, this proposal by the Legal Affairs Committee is liable — and this we regard as even more serious — to bring about a hardening of positions which for the time being are not reconcilable. Is that really the policy we wish to pursue? Is that not in all probability a tactic which, on the eve of direct elections, looks like a purely vote-catching manoeuvre in the end is liable to rebound on the employees' cause which we all wish to serve?

The Christian Democratic Group wants to preserve the Fifth Directive's outline legislation status, its potential for further development, its flexible methods and, above all, the means of reducing divergences in the Member States. We feel, however, that this Fifth Directive perhaps lacks the inspiration of those major acts of legislation which can leave their mark on a period, an era, a society. The Christian-Democratic Group infinitely regrets that parity of representation is not part of this objective to which all aspire, in order to ensure progress in this modern world and, in particular, to foster the role and responsibilities of employees in the firm to which they contribute not only their labour but also their loyalty and their skill. We think that the Fifth Directive does not embrace this objective. It is obvious that when we ask the

Commission, in our amendment, to make fresh proposals regarding this ultimate aim, we are not at variance with the Fifth Directive as it now stands. Although paragraph 5 of Article 4 lays down minimum levels, it makes allowances for future developments and is therefore entirely in keeping with the spirit in which we are working. This is why, while avoiding any contradiction with the spirit of the Fifth Directive and stressing the need for parity of representation, we ask the Commission to take our request into consideration. Provided it does so, we are willing to support a directive which includes this fundamental point.

(*Applause*)

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

**Mr Feit.** — (*F*) Mr President, as you have requested, I shall confine myself to essentials; we are, however, extremely unhappy at the short time allowed us for such an important subject.

The question we are dealing with today has both a legal and a political aspect. It is essential to create new European legislation to govern problems of a similar kind, but bearing in mind how difficult this is even in our national parliaments, can you imagine the efforts it requires at Community level?

We must endeavour to find a solution which is acceptable to each of our countries because — let us make no mistake about it — this Fifth Directive does not apply only to the Member States which do not have any relevant legislation.

We must therefore display a great deal of flexibility in this matter — not caution but flexibility — in order to work out possible alternative options, taking account of the legal situation in each of the Member States; if we seek to frame Community legislation without regard to these considerations, we shall end up with nothing at all.

Are we or are we not, therefore, moving towards a system which can be applied because it will meet a deep-felt need? Or on the other hand, are we going to create something which will be far from complete and therefore remain in the archives?

There is no intention whatsoever of calling into question the need for effective employee participation in companies; in a free society, every employee must have the opportunity to have a say in the decisions regarding the future of the firm for which he is working.

The question is therefore whether the proposal for a directive — with the amendments contained in the Commission's working document dated 16 May 1978 — takes account of all the considerations I have just mentioned.

**Feit**

Although certain improvements have been made to the original proposal, the fundamental principles on which the 1972 document is based have not been called into question, namely: the introduction within companies, after an optional transitional period, of a mandatory dualist structure and the participation of employees on the supervisory board.

It should be noted that the Commission has limited the options to a transitional period of five years.

I therefore ask the Commission: is it certain that there will definitely be, at the end of a transitional period, a minimum consensus between both sides of industry on the ultimate aim of this type of participation, which does not yet exist in some Member States? That would seem to be jumping to premature conclusions about the future. We feel that the introduction of a mandatory system after a certain period has elapsed is not a good way for Community legislation to proceed.

We approve the Commission's working document to the extent that, during a trial period, it permits:

- first of all, a choice regarding the participation of employees in the affairs of companies in those Member States which are not in a position to introduce employee participation in a company organ;
- secondly, an option between a unitary or dualist structure to be granted to companies in Member States which do not wish to introduce a dualist structure as the sole system.

However, we think we should review the situation after a given period, at which time we shall be able to judge whether further harmonization of national legislation seems possible in this field.

On the other hand, we cannot here and now prescribe for the future a system of worker participation which, at the risk of seriously jeopardizing its implementation, cannot be imposed on the social fabric from without. I repeat, we shall have to learn from voluntary experiments at the end of an adequate transitional period.

It goes without saying that, insofar as Mr Schmidt's report on behalf of the Legal Affairs Committee underscores very heavily the participation system for the future, we can only come out against it. And I shall emphasize in this connection that this report takes up again the proposal for a European Company which has so far not aroused much enthusiasm.

Those are very briefly, Mr President, the remarks I wanted to make. We support the Commission in the measures it has taken with regard to employee participation, which remains a fundamental objective. We also support it when it proposes, for a transitional period, possible alternatives which take account of the differing national situations. However, we cannot

support it when it seeks to lay down a mandatory system for the future.

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

**Mr Stetter.** — (DK) Mr President, I should like to sound a warning, on behalf of the European Conservative Group, against dealing too hastily with this report. The way it was discussed in the Legal Affairs Committee already smacked of political sharp practice. It would have serious consequences for the reputation of the European Parliament if this matter were rushed through in a few minutes. I cannot go into Mr Schmidt's report in the time I have at my disposal, but I must categorically oppose the idea of employees and shareholders being represented in equal proportions on boards of directors in certain companies.

Adherents of this proposal will perhaps point out that this is the system used in the iron and steel industry in West Germany. I would reply, however, that only very few of the Member States have a tradition of an industrial structure which would make this system workable. It is the shareholders who bear and will continue to bear the financial liability for the company and it is essential that they should make the decisions if existing investments are to be guaranteed and maintained, and in order to ensure that new investments are made. What we should do is to see to it that boards of directors continue to have a clear majority of members elected by the shareholders. This is essential if Europe is to stand a chance of being considered by third countries as a suitable area for investment in the future.

Politicians are not half as clever as employees. Employees know that cooperation and hence success in business must develop naturally and spontaneously. Cooperation and success cannot be imposed by politicians. The originators of this proposal think that they are meeting the wishes of the employees. This is completely wrong, however, and I could give many examples to prove it.

The proposals of the Legal Affairs Committee have a characteristic academic flavour about them. If they were put into practice they would inevitably be the cause of new conflicts and probably cripple the decision process.

The European Conservative Group has tabled 23 amendments. I do not have time to go through them but I should like to point out that one of their fundamental aspects is that they advocate a return to the Commission's original proposal for a directive. The European Conservative Group intends to make use of all possible means provided for in the Rules of Procedure to prevent a vote being taken too hastily and on

**Stetter**

an unrepresentative basis, with the unforeseeable consequences this could have. I must therefore warn you that we intend, if necessary, to invoke Rule 33 of the Rules of Procedure.

The report is a striking example of what the Socialist Group will do if there is a Socialist majority in this Parliament following the European election on 7 June.

Should a vote in fact be held on this report contrary to our expectations, our group intends to vote against. This is a time not to embark on costly experiments, but rather to turn to account our experience and knowledge in this important field.

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

**Mr Ansquer.** — (*F*) Mr President, this proposal by the Commission of the European Communities has been under consideration for seven years. I shall not go back over the history of this directive, of course, but I should like to draw the attention of this House to the fact that Mr Schmidt's report was adopted by the Legal Affairs Committee when practically only our Socialist colleagues were present. We are unhappy at this, since we have not been able to express our point of view.

In each of our countries, participation of employees in running industry is a fundamental issue. It enables a company to be managed with regard for the legitimate interests of the shareholders, without forgetting or neglecting the interests and advancement of its workers. On this point the Commission has a realistic attitude, since it recognizes the need to bring workers into the affairs of the company. Our group welcomes this. Indeed, as a matter of policy and ideologically we have always advocated participation. It was one of the fundamental tenets of General de Gaulle and President de Valera, who affirmed on many occasions that the assistance and participation of individuals is essential for any collective enterprise.

We were among the first to maintain that participation should become an irrevocable part of institutions, regional planning, working life and traditions. These are therefore our principles and we intend to uphold them.

However, clearly, it must be recognized that a lot of time and a lot of patience are required to translate ideas into deeds. In France, as in other countries, there was no question for a long time of the dualist system. Consequently, although this system was introduced in France in 1966, barely ten out of every

hundred public companies have opted for the management and supervisory board system. Although it is certainly a matter for regret, it must be stated that this system has not yet become widely accepted.

Mr Schmidt's report proposes to impose the dualist system, with a scheme for employee participation similar to that of the European Company. We say quite clearly that, in our eyes, the rapporteur is making a mistake and showing a lack of realism. How does he think it will be possible to actually impose such a system, which revives the European Company system which has been slumbering in the Council's drawers for five years?

We therefore endorse the opinion of the Committee on Social Affairs, Employment and Education which, in its wisdom, recommends that Community law on the structure of companies be made sufficiently flexible to enable account to be taken of both the differing national situations and the ultimate Community objective. We are not against the dualist system; we approve of it. However, companies in countries which have the unitary system ought to be able to opt for this system and not be compelled to adopt it. Once the ultimate objective has been laid down, the Member States should be allowed sufficient room for manoeuvre.

Our group has always come out in favour of participation, but it feels that the proposals in the Schmidt report are not commensurate with the current situation and are liable to come to nothing. It would therefore be appropriate, at the end of the transitional period, to draw the conclusions from this experiment and to ask the Commission to submit fresh proposals to us.

**President.** — I am informed that Commissioner Davignon is obliged to leave tonight and will therefore not be present tomorrow. As I suspect that the Members, and particularly Mr Schmidt, would wish to hear Mr Davignon before we adjourn tonight, I propose to call Mr Davignon now and to call the other speakers tomorrow.

Are there any objections?

That is agreed.

I call Mr Davignon.

**Mr Davignon, Member of the Commission.** — (*F*) Mr President, the Commission regards this issue as a fundamental one because it belongs to that part of the construction of Europe which shows the citizens, in particular the workers, and all those who are concerned in the affairs of companies that their rights

## Davignon

are better protected within the framework of the European Community than they would be if the Community did not exist. This is the main issue and, in the Commission's view, a fundamental part of the debate. There is therefore on this point the same determination, the same will and the same doggedness on the part of the Commission to make significant progress with regard to legislation.

Secondly, Mr President, we think it would be a fine thing if, before adjourning in its current composition, the Parliament showed, on the eve of the elections, the will to put this idea into concrete form.

Thirdly, in several countries a system which has worked particularly well in other countries is not yet acknowledged as the best. That is a fact. This does not mean that the countries where the system does exist should take a backward step. On the contrary, it is necessary to continue to improve the system and to ensure that, in countries where it does not exist, the policy debate is not concerned with the imposition of one system to the detriment of another, but with the establishment of an evolutionary system leading to positive results.

These are not subterfuges or rhetorical arguments. It would be unfortunate if the discussion of the Conservative Group's series of amendments resulted in the report being referred back to Committee without this House having made its policy known. Must it now state its policy and at the same time have already dealt with all the technical aspects? I think not, if we consider ourselves to be in a developing situation.

I therefore ask the Parliament if it could not state its very clear option on the will to put the process of development into concrete form. In this connection, if it can be of any help to Parliament, I readily agree, as requested in the motion for a resolution, to take things further than the working document which I presented at the end of last year. We could very quickly examine new working documents or new proposals with the new Parliament. This would not be setting a precedent: on a previous occasion, Parliament gave an initial opinion on certain aspects of the Third Directive and subsequently delivered a second opinion on the Commission's amended proposals. I should therefore like to assure Mr Schmidt that there is absolutely no question of deferring the debate or resorting to delaying tactics. I would be most unhappy if Parliament did not give its opinion and this matter were referred back to committee, whatever the reason given. In view of the intensity of the discussion which is in progress in some countries, I believe that this process of development which we have proposed and which we want to speed up is the one which will

enable employees who are not familiar with the kind of participation proposed here to benefit from it in full awareness of its objectives.

If that were possible, it would encourage the Commission which could give this issue high priority for discussion with the directly elected Parliament. We would thus have shown that people's — and in this case employees' — rights are better protected, in countries where there is a dualist system, by the mandatory system which we would set up and, in countries where this system does not yet exist, by a number of provisions which, as a result of a process of development, will make this type of protection no longer a topic for discussion but a reality throughout the Community.

*(Applause)*

**President.** — It is time to suspend the proceedings. The debate is adjourned and will be resumed tomorrow morning.

### 26. Urgent procedure

**President.** — I have received from Mr Caillavet, on behalf of the Committee on Agriculture, a motion for a resolution, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on training and development for farming and rural life (Doc. 177/79).

The reasons supporting the request for urgent debate are set out in the document.

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

### 27. Agenda

**President.** — In agreement with the Committee on Budgets I propose that the joint debate on the two Ripamonti reports on the supplementary draft estimates No 2 for 1979 and on the draft estimates for the European Parliament for 1980 be taken as the first item on tomorrow's agenda.

The motions for resolutions contained in the reports will be put to the vote tomorrow during voting time.

### 28. Tabling and inclusion in the agenda of a document

**President.** — At the request of the Committee on the Rules of Procedure and Petitions I further propose that the Luster report on the amendment of the Rules of Procedure should be taken tomorrow after the joint debate on the Ripamonti reports.

Are there any objections?

That is agreed.



29. *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Thursday, 10 May 1979 at 10.00 a.m. and 3.00 p.m., and possibly from 9.00 p.m., with the following agenda :

- Vote on requests for urgent debate
- Joint debate on the Ripamonti reports on the draft estimates of Parliament
- Luster report on the amendment of the Rules of Procedure
- Continuation of today's agenda
- Joint debate on the Caillavet report on the seminar of the Committee on Agriculture and the Fellermaier motion for a resolution on the review of the common agricultural policy
- Pisoni report on the market in wine
- Hansen report on the calculation of MCAs
- Tolman report on isoglucose
- Joint debate on Howell and Nielsen reports on the milk sector
- Joint debate on Lemp report on fisheries and Corrie report on fish farming

- Joint debate on Hughes report on enzootic leukosis among cattle and Hughes motion for a resolution on nervous disease in pigs
- Brégégère report on tobacco
- Brugger report on the protection of animals
- Ligios report on Community citrus fruit
- Hansen report on the oil production register
- Früh report on hop producer aids
- Possibly, Albertini report on forestry policy
- Kavanagh report on fishing
- Sandri report on the creation of a European Agency for Cooperation
- Nyborg report on working conditions
- Caro report on the European Youth Forum
- Martinelli report on cattle from Yugoslavia
- Notenboom report on own resources.
- 3.00 p.m. — Question Time (questions to the Commission)
- 3.45 p.m. — Voting Time

The sitting is closed.

*(The sitting closed at 9.30 p.m.)*

*ANNEX*

*Questions which could not be answered during Question Time, with written answers*

*Question No 20, by Mrs Ewing*

Subject: Voting rights in direct elections.

In view of the fact that only Ireland and the United Kingdom have failed to grant to their citizens living in other Member States the right to vote in these countries' direct election in 1979, will the Council give assurance that, in considering any future proposal by the European Parliament under Article 138 (3) EEC for a uniform electoral procedure for direct elections, it will take the necessary steps to ensure that citizens of any Member State resident in another Community state will be able to vote in their home country?

*Answer*

Under Article 7 (1) of the Act of 20 September 1976 the European Parliament is called to draw up a proposal for a uniform electoral procedure. This proposal will be submitted to the Council which will then act on the basis of the provisions of Article 138 of the EEC Treaty and the corresponding Articles of the other Treaties. In these circumstances the Council cannot at this stage prejudice the provisions which the European Parliament will include in its proposal as regards voting rights for nationals of the Member States of the Community resident in another Member State, nor indeed such provisions as the Council might adopt on the subject.

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*Question No 24, by Mrs Ewing*

Subject: Human Rights in the USSR

What steps are the Foreign Ministers taking to keep informed on the current position of breaches of human rights in the Soviet Union, following the joint positions adopted by member countries of the Community at the Helsinki and Belgrade Conferences?

*Answer*

In answer to the honourable Member's question, the Governments of the Nine would like to stress their profound concern for the respect of human rights, which they regard as a vital element in the development of good relations between nations. They therefore consider it their duty vigilantly to pursue the application by the participant States in the Conference on Security and Cooperation in Europe of this principle, which they were largely instrumental in including in the Final Act of Helsinki.

At the last meeting of the representatives of the participant States of the C.S.C.E. in Belgrade, the Nine therefore took particular care to review the application of the seventh principle of the Final Act and to draw attention to cases in which it had been infringed. During 1978 the Governments of the Nine reaffirmed their position, individually and jointly, in their statements of 28 May and 18 July, on the prosecution and conviction in the Soviet Union of individuals who had been charged with demanding compliance with the Final Act of Helsinki in their own country. Faithful to their beliefs, and in consonance with the action they have already taken in this sphere, the Governments of the Nine will remain attentive to every aspect of the respect of human rights and fundamental freedoms by the States which are signatories of the Final Act. They reserve their legitimate right to make their own comments and assessments, in the circumstances and cases which they judge to be most appropriate, in the event of any infringement of that principle or failure to respect it.

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### IN THE CHAIR : MR HOLST

*Vice President*

*(The sitting was opened at 10.15 a.m.)*

**President.** — The sitting is open.

#### 1. *Approval of minutes*

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

Since there are no comments, the minutes of proceedings are approved.

#### 2. *Documents submitted*

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

a) from the Council, requests for opinions on :

- the proposal from the Commission to the Council for a regulation extending Regulation (EEC) No. 2862/77 concerning agricultural levies on imports of certain adult bovine animals and beef from Yugoslavia (Doc. 172/79)

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 proposal from the Commission to the Council for a directive amending for the seventh time Directive 73/241/EEC on the approximation of the laws of the Member States relating to cocoa and chocolate products intended for human consumption.

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

b) from the Committees, the following reports :

- report by Mr Shaw on behalf of the Legal Affairs Committee on the proposal from the Commission to the Council for an eighth directive pursuant to Article 54 (3) (g) of the EEC Treaty concerning the

approval of persons responsible for carrying out statutory audits of the annual accounts of limited liability companies (Doc. 173/79) ;

- report by Mr Martinelli on behalf of the Committee on External Economic Relations, on the proposal from the Commission to the Council for a regulation extending the period of validity of Regulation (EEC) No 2862/77 on levies applicable to imports of certain adult bovine animals and beef from Yugoslavia (Doc. 174/79) ;

- report by Mr Luster, on behalf of the Committee on the Rules of Procedure and Petitions, on the amendment of the Rules of Procedure of the European Parliament (Doc. 178/79) ;

- report by Mr Hansen, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 154/75 as regards the financing of the register of olive cultivation (Doc. 180/79) ;

- report by Mr Früh, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation laying down aids to hop producers for the 1978 marketing year (Doc. 181/79) ;

- report by Mr Tolman, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 1111/77 laying down common provisions for isoglucose (Doc. 182/79) ;

- report by Mr Ligos, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 2511/69 laying down special measures to improve production and marketing of Community citrus fruit (Doc. 183/79) ;

- report by Mr Albertini, on behalf of the Committee on Agriculture on the communication from the Commission to the Council concerning forestry policy in the European Community (Doc. 184/79) ;

- report by Mr Ripamonti, on behalf of the Committee on Budgets on the supplementary draft estimates of revenue and expenditure of the European Parliament for 1979 (Doc. 185/79) (originally this report was to have dealt with the draft supplementary budget No 2 for 1979).

### 3. Decision on requests for early votes

**President.** — The next item is the decision on two requests for early votes.

I first put to the vote the request for an early vote on the motion for a resolution (Doc. 166/79) tabled by Mr Bertrand and others on behalf of the Christian-Democratic Group (EPP) to wind up the debate on oral question Doc. 126/79 on *employment policy*.

The request for an early vote is adopted.

The motion for a resolution will be put to the vote this afternoon. I now put to the vote the request for an early vote on the motion for a resolution (Doc. 169/79) by Mr Fellermaier and others on behalf of the Socialist Group to wind up the debate on oral questions Docs 125/79 and 126/79 on *employment policy*.

The request for an early vote is rejected.

Pursuant to Rule 25 of the Rules of Procedure the motion for a resolution is referred to the committee responsible.

### 4. Decision on urgency

**President.** — The next item is the vote on urgent procedure in respect of the motion for a resolution (Doc. 177/79) on *development and training for farming and rural life*, tabled by Mr Caillavet on behalf of the Committee on Agriculture.

The request for urgent procedure is adopted.

I propose that this motion for a resolution be placed on today's agenda after the Kavanagh report.

Since there are no objections, that is agreed.

### 5. European Parliament draft estimates

**President.** — The next item is the joint debate on :

- the report (Doc. 176/79) drawn up by Mr Ripamonti on behalf of the Committee on Budgets on the draft estimates of revenue and expenditure of the European Parliament for the financial year 1980 ;
- the report (Doc. 185/79) drawn up by Mr Ripamonti on behalf of the Committee on Budgets on supplementary draft estimates of revenue and expenditure of the European Parliament for 1979.

I call Mr Ripamonti.

**Mr Ripamonti, rapporteur.** — (1) Mr President, ladies and gentlemen, it was agreed yesterday evening to combine the debate on the draft Parliament estimates for 1980 with the debate on the situation arising from the Council's failure to draw up draft supplementary budget No 2 concerning the deliberations on its own estimates of the European Parliament on 15 March.

After the Bureau meeting this morning, the Committee on Budgets looked at this problem in awareness of the urgent need to approve the supple-

mentary budget for 1979 inasmuch as it relates to certain appropriations not included in the budget for the current financial year, for example the payment from 17 July onwards of the allowances for members of the institutions, the rent and operating expenses of the premises required for the proper functioning of the Parliament of 410 members, and the need to ensure that 107 permanent posts and 2 temporary posts can be added to the establishment plan, as well as to strengthen the reserve list of officials attached to the political groups.

At yesterday's sitting, the Bureau of Parliament agreed on the urgency of these measures and pointed out that it would be better to disregard what had been decided at the sitting of 15 March concerning the 188 frozen posts made available to the new Parliament, since these posts could not be filled even if Parliament wished to do so in the last few months of this year, on account of the procedures for unfreezing them and for taking on staff.

The Bureau has therefore pointed out the desirability of drawing up a new supplementary budget, and this morning the Committee on Budgets accepted this suggestion, after ascertaining that the Council has not changed its attitude — which derives from the declaration included in the minutes of its meeting of 22 April 1970 — of not intervening on questions relating to the Parliament budget, and acknowledging that Parliament has the power to decide on its own budget. This declaration represents a gentlemen's agreement between the Council of Ministers and Parliament and is made effective by the budget procedure itself. The final decision on the operating expenditure of Parliament falls therefore, in accordance with the Treaties and the Financial Regulation, to Parliament itself.

On the basis of these considerations, the Committee on Budgets has approved a new draft supplementary budget for the current financial year which contains two changes with respect to the decision taken on 15 March 1979. The first change is the elimination, for 1979, of the 188 frozen posts for the new directly-elected Parliament, posts which — as I explained yesterday evening when presenting the draft budget for 1980, are to be included, on a proposal from Parliament, in the establishment plan for 1980. The second change, resulting from the first, affects the amount of appropriations additional to the draft 1979 budget. As the 188 frozen posts are not included, the estimated expenditure in the corresponding chapters is reduced by a total of 1 340 000 EUA, so that the new draft supplementary budget involves an increase in expenditure over that envisaged by the 1979 budget of 29 986 995 EUA.

This decision will provide the new directly-elected Parliament with appropriations to cover the payment of the allowances to Members of Parliament, whose number will increase from 198 to 410. It should be noted that, in the current budget of the European

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Parliament, these emoluments are calculated for only 198 Members. Moreover, this enables the administration to take on 107 officials and 2 temporary officials, to add eight posts to the reserve list for the groups — as unanimously requested by the groups themselves — and to have appropriations for furnishing the new premises and for operating expenditure, which, as you no doubt realize, will inevitably increase when the membership of Parliament rises to 410.

A problem arises here which is closely connected with the budget procedure. When supplementary budget No 2 is drawn up by the Council and communicated to Parliament, the decision on the matter must be made known to the Members of Parliament, who will have the right to debate it.

I hope that the commitment we are making today on this supplementary budget will lead to a similar attitude being taken when it is finally examined. Parliament has the right to review the Council Decision under the normal budget procedure. I think, therefore, that there will be a need for another debate, following the budget procedure envisaged by the Treaty and the Financial Regulation, in this Parliament before 17 July next, that is before the inaugural sitting of the directly-elected Parliament, so as to complete the procedure for the approval of supplementary rectifying budget No 2 which will be drawn up by the Council. On behalf of the Committee on Budgets, I ask Parliament to bear in mind the desirability of approving this new supplementary budget and of voting on it today. It could then immediately be communicated to the Commission and the Council so that the latter may draw up the supplementary estimates No 2 of the European Communities.

*(Applause)*

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

**Mr Dankert.** — *(NL)* Mr President, I should like to begin by thanking, on behalf of my Group, Mr Ripamonti and the others who have spent many hours discussing the supplementary budget during the past week. However, the result of their labours is not brilliant, although they cannot be blamed for this.

This is, in fact, another of those famous smoke-screens, whose purpose is to save loss of face. I don't think we shall get away with it entirely. For this reason it is a good thing that the supplementary budget for 1979 and the draft budget for 1980, which has a somewhat different legal significance, are being dealt with together. This gives me an opportunity to say a few words on the notorious 188 frozen posts.

The motion for a resolution accompanying the supplementary budget for 1979 refers to the laudable custom, in existence since 1970, whereby the Council does not concern itself with Parliament's budget. The text of the motion also notes that 'the Council does not intend going back on the declaration included in

the minutes of its session of 22 April 1970 which recognizes thenceforth the power of the European Parliament over its own budget'. This consideration then leads to a number of conclusions.

I have some doubt about the accuracy of this consideration, or at least about the need to include this paragraph, since it is perfectly clear that the Council has intervened in this budget, particularly as regards those 188 posts.

In the preliminary stages Parliament nonetheless approved resolutions, I think it was in March, which quite clearly referred to those 188 posts. Now these 188 frozen posts have suddenly disappeared and are nowhere to be seen. My question is, where are they, who caused them to vanish? Since the text of the motion states that the Council does not intend going back on its declaration of April, I must assume that it was the Bureau of this Parliament which removed those 188 posts.

If that is so, I should like to have had the Bureau say so earlier. I can well imagine that the Bureau took the view that they had made a mistake, that these posts were not necessary after all, and that if the new Parliament felt that, after all, some or indeed all of these posts were needed or should be included in frozen form in the budget the new Parliament would be able to arrange for that in the context of the 1980 budget procedure. Instead, they have disappeared for 1979! I take this to mean that the Bureau accepts that they were not urgently required in 1979, and that we shall find them reappearing in the 1980 draft budget.

My own personal inclination was originally to recommend to Parliament that it should also scrap these 188 posts from the 1980 draft budget, to ensure that the Bureau is consistent, but opinions were divided in my Group and we shall not make this proposal. These items have disappeared for 1979, and they should also not have been necessary for 1980. Moreover, if the new Parliament considers that they should be included after all, it can arrange for this quite easily in the budgetary procedure. However, I must admit that my argument becomes a bit contorted, because as I said I read 'the Council does not intend . . . .'. There is in fact an enormous inconsistency between the two versions: between the motion for a resolution relating to 1979 and the background to it, and the draft budget for 1980.

I believe that we have therefore to accept that Parliament has gone back on its earlier decisions relating to these 188 posts. If the Bureau insists that the Council did not intervene, we must regard that as a terminological inexactitude, as a specimen of parliamentary hypocrisy. The fact is that there has most certainly been intervention, and that the Council and the Bureau of Parliament reached agreement during their discussions during the last few days whereby Parliament has to swallow these 188 posts. That being so, let us not pretend otherwise. Instead of proposing, as



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was my original intention, that these 188 posts should be removed from the 1980 draft budget, I have got my Group to agree that we shall abstain from voting on this paragraph in the 1979 motion for a resolution, which refers to the Council's intention not to interfere with Parliament's powers with respect to its own budget.

So, Mr President, subject to these reservations my Group is able to go along with the rest of what Mr Ripamonti said. But, again, I hope that this kind of situation can be avoided in future. It is naturally extremely important that the principle that the Council keeps its hands off Parliament's budgetary powers in this respect should be observed, and that the Council should continue to respect the situation which has prevailed in the past. I well understand that difficulties can arise during the transition from the old to the new Parliament, but I believe that it is of vital importance to the new Parliament that the Council should not again do what it has done on this occasion.

**President.** — I call Mr Notenboom to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Notenboom.** — *(NL)* Mr President, the Committee on Budgets has had to meet four times this week already, quite apart from all the meetings before that. I share Mr Dankert's assessment — the result of our efforts is not brilliant, but we have done everything that could be done and the rapporteur and the many others who took part deserve our thanks for their work and for their efforts to find sensible solutions which can help us along for the time being. Our group fully supports the motion for a resolution, despite its lack of brilliance. The primary objective of the supplementary budget for 1979 is to make it possible to receive the new Members and allow them to begin their work. That is Parliament's responsibility. The second aim is that the agreement between the Council and Parliament on non-interference in each other's budgets should be respected, and that the powers which Parliament has obtained, at the cost of considerable effort, should not be encroached upon.

Once again the Council has egg on its face. The Council consists, of course, of nine individuals, in other words nine points of view, and these nine individuals could not agree, so that no decision was reached. Certainly some of those in the Council had an interest in having a dig at Parliament for internal political reasons. There will also have been members of the Council who wondered whether Parliament wasn't going a bit far with these 188 posts. Nonetheless, the important thing is that, at least formally, the Council did not want to go back on the important agreement on non-interference. We should not forget that, and we too should respect that agreement. I have already stressed the importance of this agreement as an element in our powers on two occasions, but I should like to add my personal opinion — and I

think the lawyers will approve of this — that this kind of gentlemen's agreement, which are so important, are only of value when they are respected by both sides.

We must hand on this tradition to the new Parliament. I fear that in the past this was not always the case, even on our side. In my personal view it was not necessary at this stage to create extra grades, either in the management levels in the directorates-general, or in the translation division. I shall not go into this any further; this is a personal view which I share with a number of Members. Parliament must be well aware that this sort of agreement will only last if we are reasonable, and the same applies to the Council. The Council must also be reasonable.

Our group also supports the draft estimates for 1980, that is the report and the motion for a resolution, while realizing that there are two discussion stages to come, namely the first and second readings, and that the directly-elected Parliament can cut down or expand if it so wishes. For that reason, we support this estimate at this time, although I must admit that, like Mr Dankert, I have my doubts, and even though I recognize that the inclusion of these posts in the 1980 budget is not without risks, even for Parliament's position. However, given that it is an estimate which we have to settle now, and that the directly-elected Parliament can trim or expand it, our group supports the 1980 estimate as proposed by the rapporteur.

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

**Mr Brøndlund Nielsen.** — *(DK)* Mr President, my remarks will be brief, since I can say that I feel satisfied with the motion we have before us. It is correct to say, as Mr Notenboom has just done, that we held many meetings in the Committee on Budgets and we are of the opinion, in our Group, that the compromise that has now been arrived at is reasonable and sensible.

Perhaps someone in this Assembly remembers the views which I, as the Liberal spokesman, expressed during the previous debate on the budget. In the light of those views, this present development is a reasonable one, the new directly-elected Parliament will be able to consider the composition of its staff, both in terms of numbers and of the whole structure, and I hope that the opportunity will be taken to consider some of the views which I put forward previously. In the same context, I should also like to stress that the estimates for 1980 are only a preliminary draft which the new Parliament can alter. I would add that, with regard to the possibility of including proposals for extra expenditure in that draft, it should be remembered that it is easier to prune the budget in its final form than to have new appropriations added to it. The 1980 budget, which will be passed on to the new Parliament, is therefore essentially a fresh canvas to be completed in whatever way the Parliament sees fit.

**Brøndlund Nielsen**

Consequently, we think that it would not be reasonable at present to thrash out this matter in Parliament. At the same time, it would be wrong not to make provision for the staff changes which the new enlarged Parliament will naturally need to make, given that it will have twice as many members as previously. And so, against that background, we can say that the proposal before us is right and proper. I would also say that there is no question of Parliament's budgetary powers being changed, much less reduced, which is as it should be. The Liberal and Democratic Group is therefore fully in favour of this motion.

**President.** — I call Mr Ripamonti.

**Mr Ripamonti, rapporteur.** — (I) Mr President, I wish first and foremost to thank those who took an active part in the meetings of the Committee on Budgets, as well as Mr Dankert, Mr Notenboom and Mr Nielsen who took part in the debate, for following, in their approach to the supplementary rectifying estimates No 1 of Parliament and to the draft budget for 1980, the line suggested by Mr Nielsen — to leave the directly elected Parliament a preliminary draft which would allow it to take the final decisions both on the establishment plan and on appropriations. As Mr Nielsen stated that it is easier to revise the budget by reducing appropriations than by increasing them. Secondly, I wish to mention that, with regard to the establishment plan, the initiative was taken not by the Committee on Budgets but by the Bureau under the terms of Article 49 of Parliament's Rules of Procedure, that there was a long debate before the first draft supplementary budget was being approved and that the Committee on Budgets has drawn up comparative tables of the present and future structure to provide the Members of the directly elected Parliament with all the information required to draw up the establishment plan.

My third point concerns the new draft supplementary budget. In our discussions with the President-in-Office of the Council we noted that the Council of Ministers has not changed its attitude, expressed in the declaration included in the minutes of the meeting of 22 April 1970, of fully acknowledging Parliament's power to decide on its own budget. Nor could it be otherwise, since this power is conferred on Parliament by the Treaty and the Financial Regulation. There was therefore no conflict between the Committee on Budgets and the Council of Ministers, but the need was borne in mind to include in the new estimates the most urgent headings — those relating to permanent posts and appropriations — since it would be difficult to fill the 188 frozen posts in the last four months of 1979, precisely because it was Parliament which froze them. We can not therefore accept the suggestion, Mr Dankert, that there has been interference on the part of the Council of Ministers.

On the contrary, the Bureau considered the desirability of reinstating the 188 posts in the budget and confirmed the earlier decision to put these posts at the new Parliament's disposal. There has therefore been no retreat on the part of Parliament, such as might suggest collusion between Parliament and the Council of Ministers. I think we have acted in full awareness of the electoral atmosphere in which Parliament is currently meeting and of the undesirability of starting a conflict between Parliament and the Council of Ministers at this stage on a problem which, essentially, is not so urgent as to require a solution in the course of this part-session. On the other hand, we have reaffirmed the exclusive responsibility of Parliament — if the representative of the Council of Ministers will forgive me — with regard to its own budget. Yes, there is a gentlemen's agreement between the Council of Ministers and Parliament, by virtue of which I as rapporteur on the budget estimates of the Council of Ministers for 1980 made no comments on their substance, nor did the Council of Ministers make comments on our draft budget for 1979. However, in addition to this gentlemen's agreement, there are the rules laid down by the Treaties and the Financial Regulation, which cannot be tinkered with either by the Council of Ministers or by Parliament.

Finally, I wish to point out that there is a procedural problem which we are leaving the new Parliament — of which I shall not be a Member — to solve. Article 1 of the Financial Regulation stipulates that the procedure for supplementary and rectifying budgets is similar to the procedure for the ordinary budget estimates of revenue and expenditure. Consequently, the terms of Article 203 of the Treaty relating to the decisions of the Council of Ministers and Parliament are applicable by analogy to the procedure followed for supplementary budgets. We did not wish in this part-session to go into what was the correct interpretation of the combined provisions of these two articles. However the problem, as I said in my report, can be put in the following terms: if one allows that, once these supplementary budget estimates have been transmitted by Parliament to the Commission and by the Commission to the Council, and when 45 days have elapsed after the Council's decision the budget is finally approved without Parliament having been able to study this decision, one is treating the Parliament decision in a different way from that of the Council of Ministers.

To avoid this we ask that, after today's decision in favour of the supplementary budget estimates No 2 of the European Parliament, Parliament should be convened to receive an official communication of the Council of Ministers' decision and express an opinion on it. In this connection we entirely reaffirm the powers of the European Parliament deriving from Article 203 of the Treaty and Article 1 of the Financial Regulation, just as we confirm that the whole

## Ripamonti

procedure hitherto followed has shown full respect for the fact that it will be the directly-elected Parliament which draws up the budget estimates for 1980 concerning its own operations. In conclusion, I should like to thank not only my colleagues but also the officials who assisted in the difficult drafting of these documents, and particularly the Secretary and officials of the Committee on Budgets. I think that the speed with which we manage to communicate the documents to Parliament must be ascribed to the knowhow and goodwill of our officials who have always assisted us competently and objectively.

Finally, I am certain that Parliament will vote in favour. I share Mr Dankert's concern and thank him: he promised that his Group would abstain and not table amendments to the draft budget, bearing in mind that the directly-elected Parliament will have the last word.

*(Applause)*

**President.** — I call Mr Dankert.

**Mr Dankert.** — *(F)* Yes, Mr President, I am surprised at one element in Mr Ripamonti's reply. He criticized me for saying: 'The Council intervened', whereas what I in fact said was: 'The Council did not intervene'.

Mr President, that is basically what I wanted to say. If Mr Ripamonti says 'there was no intervention on the part of the Council', perhaps he can tell me precisely what happened to the 188 posts which existed until the day-before-yesterday and then disappeared all of a sudden? In what mysterious circumstances have they disappeared, and who is to blame for their disappearance? I am still waiting for a reply to this question.

**President.** — I call Mr Ripamonti.

**Mr Ripamonti, rapporteur.** — *(I)* Mr President, I respect the right of Members to make comments and ask for clarification, and I have replied to Mr Dankert that in my view, as I have already said in the Committee on Budgets, any decision on changes to the establishment plan deriving from Parliament's decision of 15 March must be left to the Bureau. At its meeting yesterday the Bureau decided against reinstating the 188 frozen posts in the draft supplementary budget which we shall vote on today, since the lack of time makes it technically impossible to unfreeze the posts and take on staff between October and December.

The Bureau has therefore decided under the terms of Article 49, paragraph 3, that the 188 posts should be inserted in the draft estimates for 1980 and then be subject to the decision of the directly-elected Parliament.

Moreover, I replied to Mr Dankert that there was a long discussion, a kind of shuttle service between the

Bureau and the Committee on Budgets, under the terms of Articles 49 and 50 of the Rules of Procedure of the European Parliament. I mentioned that the Committee on Budgets had drawn up comparative tables of the present situation and the future establishment plan, together with a breakdown of posts, to enable the directly-elected Parliament to make an exact assessment of the situation and take the final decision. The new Parliament therefore even has the option of deciding that it does not need to use the 188 posts which we are reinstating in the draft estimates for 1980, and after 5 October, when the Council of Ministers will have drawn up and communicated to Parliament the overall budget of the European Communities, Parliament will be able to take a final decision on the basis of the documents which the present Committee on Budgets will transmit to the future Committee on Budgets. I think that the minutes of our meetings can be very useful for assessing how seriously and in what depth we tackled these problems; taking account of the fact that it was impossible to adopt positions which might pre-empt the decisions of the directly elected Parliament.

I thank Mr Dankert for his intervention, which enabled to give Parliament this further clarification.

**President.** — I call Mr Shaw.

**Mr Shaw.** — Very briefly, I think it would be inappropriate to let this occasion pass without thanking Mr Ripamonti for the tremendous amount of work that he has carried out in very difficult circumstances. Mr Dankert has said that there is an air of mystery; frankly, the pressure of work in this last part-session may well have led to an air of mystery — sometimes I like an air of mystery — but through it all Mr Ripamonti, our rapporteur, has led us carefully and, I think, rightly. I would like to thank him and to say that we will follow him along the course that he has outlined to us.

*(Applause)*

**President.** — I have no more speakers listed. The two motions for resolutions will be put to the vote as they stand during voing time this afternoon. The debate is closed.

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

**President.** — The next item is the debate on the report (Doc. 178/79) drawn up by Mr Luster on behalf of the Committee on the Rules of Procedure and Petition on the amendment of the Rules of Procedure of the European Parliament.

I call Mr Luster.

**Mr Luster, rapporteur.** — (D) Mr President, in yesterday's plenary sitting two motions for resolutions involving amendments to the Rules of Procedure were tabled and then referred by Parliament to the Committee on the Rules of Procedure and Petitions for its consideration. The Committee on the Rules of Procedure and Petitions discussed these motions yesterday and is today able to let you know the outcome. One of the motions was tabled on behalf of all six political groups, and the other by five groups. This meant that they were important motions which were sure to be adopted. Despite this, when the committee met yesterday, it looked carefully into how necessary, practical and right they were. Some Members maintained that at this late stage we should not anticipate the directly elected Parliament. The point was also raised that in this Parliament there might not be a quorum to vote on amending the Rules of Procedure, and it was proposed that, instead of a motion for a resolution to amend the Rules of Procedure, we could restrict ourselves to making recommendations to the new Parliament.

The great majority of the committee approved the motion for a resolution and the two amendments proposed, one of which involved the insertion of a new Article 7A. In Parliament we already have a system by which three quaestors are responsible for administrative and financial matters directly concerning Members. I am sure we all agree that this system has proved successful, and the quaestors deserve Parliament's thanks. However, this system has hitherto not been enshrined in the Rules of the Procedure.

On the basis of the Bureau's experience it appeared expedient, since potentially administrative and financial matters may always be relevant in its deliberations, to include the quaestors as attending but not voting members of the Bureau. If this is to happen, it would be convenient in future to elect the quaestors immediately after the election of the Vice-Presidents. The Rules of Procedure must make both substantive and formal provision for this before the new Parliament is constituted, which is what the new Article 7A is intended to do. The method of election and the length of office will be the same as for the Vice-President. The new article provides for at least three quaestors. There was a difference of opinion on this in committee, since some Members felt that the provision would be more precise if there were a fixed number of quaestors and that therefore it would be better to delete 'at least'.

The authors of the motion explained to the committee that the insertion of the indefinite 'at least' had been a compromise solution, since some of the six groups favoured five quaestors while the others wanted three as before. The committee finally agreed by a large majority to the proposed version of Article 7A.

With regard to the second motion proposing the amendment of Article 36 (5), the question was also raised as to whether it would not be better to leave this matter to be dealt with by the new Parliament, which alone would know best what it wanted with regard to its Rules of Procedure. It might want to lay down stricter or less strict rules governing the minimum number required to form a group.

However, the view which predominated in committee was the one which had moved the authors to table the motion, namely that the amendment was a necessary consequence of the increase in the number of Members of Parliament from the present 198 to 410 in the new Parliament. Proportionally this means that instead of 14 being the minimum number required to form a group if they come from only one Member State, in the new Parliament it will be 29.

The same proportional increase also means that the minimum number of Members required to form a multinational group will in future be 21 instead of the present 10. At the same time we have, in the interest of small groups, struck a compromise that from now on groups formed from Members from two countries instead of three will qualify as multinational groups. A further consideration was that, if Article 36 (5) were to remain as it is, when the new Parliament with its 410 Members is constituted there could be tiny groups of 10 Members with all the disproportionate demands for secretariat staff and equipment which this would involve. Presumably the new Parliament, in accordance with all parliamentary experience, will not want such a situation. It was therefore felt that we must make sure in advance that when the new Parliament is constituted it does not first have to bother with the question of the minimum number required to form a group. Also it is more convenient to settle the matter now, since before the election this problem can be solved with greater objectivity, if only with regard to a quorum being present in Parliament. Tactical considerations as to appropriate timing which might arise among groups of Members after the election do not now apply. As I indicated at the outset, the majority of the committee agreed with these views of the authors and approved the proposed amendment.

I should like, if I may, to deal immediately with an amendment tabled today by Mr Cunningham and proposing that Article 36 (5), unlike the committee proposal, should stipulate 21 as the minimum number required to form a group.

If I am not mistaken, this amendment in its present form was not dealt with by the committee, although it must be stated that by this wording Mr Cunningham has expressed his general feeling of dissatisfaction. If we were to adopt Mr Cunningham's amendment — and I expressly advise the House not to do so — we

**Luster**

would be acting contrary to the procedure applied by the Committee on the Rules of Procedure and Petitions in adopting new Rules of Procedure. A long time ago we asked ourselves whether we should, on the basis of this Parliament's experience, make proposals to the new Parliament for a considerable number of amendments to the Rules of Procedure. But then we agreed to propose only amendments arising from the changed numerical situation in the new Parliament. Mr Cunningham's amendment goes beyond this. Of course he has the right to table it, but I just wish to make it clear why I advise the House not to adopt it.

After dealing with the amendments to the Rules of Procedure, the committee had to consider the resultant motion for a resolution which is now before you.

The committee also adopted by a large majority this motion for a resolution in its present form. On paragraph 1 of the motion for a resolution Mr Yeats raised the point that it should state that the present Parliament was tabling these amendments solely in view of the urgency of the situation and on condition that the new Parliament would be able to adopt its own Rules of Procedure and amend the present provisions. This proposal obtained a majority in committee. Of course there was complete agreement with Mr Yeats with regard to the competence of the new Parliament, but the committee felt that this was superfluous and might be taken as a sort of apology, which was not called for since the present rules required amendment in any case.

Lastly it had to be decided when these amendments were to come into force. It was unanimously agreed that they should not do so before the end of the present Parliament's period of office. They should come into force at the very beginning of the directly elected Parliament's period of office. These considerations led to the somewhat complicated wording of paragraph 3 of the motion for a resolution before you. This wording is taken from the report on the Rules of Procedure, Document 667/78, and means in practice that the amendments come into force at midnight on 16 July 1979.

On behalf of the Committee on the Rules of Procedure and Petitions, I should like to ask the House to adopt the motion for a resolution and the two amendments to the Rules of Procedure. I should like to add that I am also making this request on behalf of the Christian-Democratic Group.

**President.** — I call Mr Patijn.

**Mr Patijn.** — (NL) Mr President, I should like to make a brief comment exclusively on my own behalf.

What Mr Luster has just said is naturally extremely important. What we are doing, after all, is binding the

new Parliament as to what is and what is not a group, and everything that this involves. Will it then be possible to work with the existing secretariat and the existing staff? I have not the slightest difficulty with the proposal to double the number of members, since it must be clear right from the beginning what the situation is.

If Parliament is to be doubled, it is not unreasonable also to double the number of members needed to form a group. Five per cent remains five per cent, and that is what it takes to form a group.

However, that is not what is at issue here. The real issue is something else — the vital point is that this Parliament should not be taking decisions, less than a month before the direct elections, on the methods of work to be adopted by its successor, except where this is strictly necessary. When we were discussing the budget a few moments ago, and included a number of posts but finally not the 188, that was because we limited ourselves to what was absolutely necessary as far as our own budget was concerned.

The building going on in Strasbourg and here has to do, not with the fact that a decision must be taken on the seat of this Parliament, but with the limited but absolutely necessary realization that we have to be able to meet somewhere. That is what is at issue and that is our job. We have to make sure that there is accommodation for the new Parliament.

One point in Mr Luster's report causes me some difficulty. If the new Parliament meets in September and then says, the old Parliament got it all quite wrong, this should be done this way or that, we are going to change the numbers needed to form a group and so on, then the new Parliament is perfectly free to do so. It could even do this on 17 July. I fully agree that the new Parliament must be able to fix its own rules. But I do feel that we should provide a basis. We have to know what's what.

But why is it necessary to settle the position of the quaestors? Why is it suddenly necessary to include the quaestors as members of the Bureau, in a rather inconclusive manner at that? Are they also members of the enlarged Bureau? Or will they only be there in an advisory capacity? Are vice-chairmen permitted to be quaestors or must the latter be outsiders who are not vice-chairmen? Is that at any rate what is being suggested in Article 7A? Is this really necessary — can it not wait until September or October?

Does this really have to be decided in June at the last moment? I must say that I regard this question of the quaestors in Article 7A, as an example of Parliament's going too far. Nobody knows whether the new Parliament will leave the composition of the Bureau as it now is or whether it will not want a different kind of Bureau.

**Patijn**

Personally, I have considerable objections to the present situation where Parliament is all too often presented with *faits accomplis* by the Bureau. The new Parliament should give some serious thought to whether this method of working should continue. Yet here we are saddling the new Parliament with three quaestors who are being included in the Bureau. This will be an elephantine body, and it is clear that in the future financial matters will also be kept carefully under wraps in the Bureau.

Well, I want none of it! That would mean that the rights of the Committee on Budgets would be undermined. In my view there is no real need for Article 7A at this time, and I should like to suggest to Parliament — and I am speaking entirely on my own behalf — that it scraps Article 7A from the proposal and approves exclusively Article 36 (5). We are engaged here in usurping the rights of our successors, who will be able to decide at their ease in October or November whether they wish to arrange matters this way or not. And I shall be perfectly happy if they decide to look into the composition, activities and functions of the Bureau in its totality.

**President.** — I call Mr Cunningham.

**Mr Cunningham.** — Mr President, in any parliament nothing is more important than that the parliament should adhere to its own rules. And I am very keen that when considering making a change to our rules today, there should be no doubt whatsoever that we are going to adhere to Rule 54(2), which says that any motion for a change in the rules themselves shall be adopted only if it secures the votes of the majority of the Members of Parliament.

Now, Mr President, before coming to the points of substance I wish to make on this subject, I wonder if I could ask you to clarify one possible area of doubt with regard to the application of the rules to the manner in which we are going to decide the issue today. As I read the rules, there can be no doubt that Rule 54(2) applies, and that unless, therefore, 100 Members vote this afternoon for these changes they will not pass. It would, however, be possible for a clever lawyer to say that Rule 33 (3) or Rule 33 (4) has the effect of overriding Rule 54. The sub-paragraphs in Rule 33 to which I have referred are the ones which say that an application must be made before voting begins by a minimum number of Members in order for any account to be taken of the number of people who have voted for or against a question.

Now, Mr President, if you are able to do so I should be grateful if at this stage you would clarify for the House whether or not sub-paragraphs 3 and 4 of Rule 33 will be held to override the very clear and unequivocal statement in Rule 54 that you need 100 votes to pass these questions this afternoon. . .

**President.** — Mr Cunningham, this question was discussed before the sitting and it was decided that it was Rule 54(2) which would apply in the voting this afternoon, which means that a majority of the Members of Parliament, i. e. at least 100, will have to be present. Neither I nor anyone else can tell whether so many will in fact be present, but it has been decided that Rule 54(2) will apply.

**Mr Cunningham** — . . . I am most grateful, Mr President, for that, because obviously if there had been any question of having to invoke the procedures of Rule 33 then one would have had to gather signatures and so on.

Now, Sir, I can be very brief on my points of substance on these proposals. I think we all agree that changes to the rules should be only made at this dying stage of this Parliament if there is an overwhelming case for them, and, I would add, if they are likely to be relatively uncontroversial in the opinion of the Members of the new Parliament. It is not for us to saddle the Members of the new Parliament with an arrangement which they would find it much more difficult to change back again than to introduce in the first place. That is the principle upon which I think we should go. I therefore entirely agree with the remarks made by my colleague, Mr Patijn, with regard to the proposal on the quaestors. I do not think it is necessary for us to do anything at this stage. We should leave that to the new Parliament, and I can't see any case at all for the proposal on the quaestors.

Coming to the business of group sizes, I have always felt that it was wrong for our rules to discriminate against the one-country group. It is highly desirable that a group in this Parliament should be on a multi-national basis. I think that any group like the Conservative Group, which is almost a one-country group, has severe disadvantages and loses much of the merit of operating in a multi-national Parliament; but I do not think that this is a provision which should find a place in the rules. We should encourage ourselves to have multi-national groups, but we should not build it into the rules by making such a provision. It is in the rules at the moment, and I would prefer to see it out. Now there would have been no possibility of moving a change in the present rule, and certainly no possibility of getting 100 Members to vote for it, so I have not initiated any change in the rule as it stands now. But if somebody else is initiating such a proposal, then I am entitled to put in an amendment to do it in the way I think is right. That is the explanation for the amendment which I have tabled, which in essence says we should get rid of the discrimination against a one-country group.

Secondly, I do not think it is automatic and necessarily commonsense to say that if you double the size of the Parliament you have to double the minimum possible size of a group. It is one thing to say that you

## Cunningham

should not acknowledge a grouping of nine Members as a formal group. It is another thing to say you will not accept 20 Members in the new Parliament. 20 Members in the new Parliament will only constitute the same percentage, of course as nine or ten today. But if 20 Members of the new Parliament choose to come together, if they choose to agree sufficiently on matters of policy and procedure to bring themselves together, are we really going to say that those 20 Members are to be treated as if they are all separate independent Members, not only denied the finance, which is very, very important, but kept out of all the behind-the-scenes riggings that go on in this Parliament? It would be grossly unfair. Of course we can argue a long time about the actual number, but I cannot see how anyone can reasonably argue that if there are 20 Members in the new Parliament, whether drawn from one country or from nine, who wish to band together, that they should be denied the procedural and financial advantages of being a group.

I would hope, therefore, that the House this afternoon will decide not to pass either of these amendments. As a fall-back from that, I would hope that the House will just not be able to pass the alterations, even if it wishes to do so. The ideal arrangement in my view would be to pass my amendment, and then pass the amended resolution. But I would beg people not to create the impression that we are rigging things in advance against any possible small groups that might find themselves in this Parliament. Far too much in this Parliament is done by the Bureau, and Members discover about it afterwards — if they discover about it at all. I want to see a stop put to that, and a move made in the other direction, rather than see the whole thing built into concrete in advance of the new Parliament coming into existence.

**President.** — I call Mr Hamilton.

**Mr Hamilton.** — Mr President, the House will probably know that I was the acting chairman of the committee which discussed these matters yesterday. I confirm the arithmetic of Mr Luster; it was a well-attended committee meeting and we agreed by a substantial majority that the recommendations of the political leaders of the groups be accepted. I made my own position quite clear at that meeting, and I had made it clear long before we met yesterday, that the time had come — and I think I said this originally at least six months ago — when we, in this Parliament, should avoid interfering with the way in which the newly elected Parliament might or might not behave.

We are acting today, it seems to me, in an absurd way. Obviously the numerical size of a political group must have regard to the increased size of the newly elected Parliament — that goes without saying. It does not need any sagacity to assert that. I think for us to sit formally in a committee or in this Parliament and

decide that the number must be increased is daft — to use a British expression.

That alone, however, should have been the limit of the recommendations coming from the leaders of the political groups, if any at all. The whole idea behind these newly discovered reforms in our Rules of Procedure suggest that a little more attention should be paid to the ulterior motives of the people putting them forward. Why has it suddenly been discovered that at least three quaestors should be on the Bureau? Why has it suddenly been discovered that there should be certain modifications as to the composition and size of a political group? It merits much closer examination than it has had hitherto. I do not like sudden conversions; I get very suspicious of sudden conversions of this kind, and I suspect that there are motives among the leaders of the current political groups which have not been disclosed — they probably want to try and make certain that if any of them should be in the directly-elected Parliament, they will have what we call a quango in Britain. They are trying to carve out for themselves a certain position in the new directly elected Parliament.

I come to the latter point that Mr Cunningham raised, concerning the nationalities in the political groups. I am firmly of the view, as a committed European, that the sooner we get rid of this concept of nationality the better. After all, that is what the Community is supposed to be about, sinking our individual nationalities in favour of a European concept, and yet here we are putting it down in our rules that unless a group is representative of certain nationalities, or of a certain size, then it cannot be recognized as a political group.

I take the very simple view that once we have decided on the minimum number for a political group, it does not matter where they come from. They can come all from France, they can come all from Britain, they can come all from any other one country of from all nine or twelve; as long as they comply with the minimum qualification as to numbers, it does not matter a damn as to the nationality of those members. For that reason I myself, although I was the chairman of the committee that agreed to accept these proposals, I must exercise my right as an individual and vote against them.

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

**Lord Reay.** — Mr President, the proposals for these two amendments originated, as has been pointed out, in an agreement reached between the chairmen of the groups. As Mr Hamilton has just emphasized, there was strong support for them. There were some contrary votes, but the vast majority of the votes cast at the well-attended meeting of the Committee on the Rules of Procedure and Petitions yesterday was in

### Lord Reay

favour of these two amendments, and my group will go along with Mr Luster's report on them.

As far as the amendment to introduce a reference to the quaestors in the Rules of Procedure is concerned, I have no reason to suppose that the fears Mr Hamilton expresses are correct, that there are ulterior motives behind the proposal that there should be a reference to the quaestors in the Rules and that there should be the qualification that that there should be at least 3 of them. It seems to me reasonable that this institution should have a reference in the Rules we hand over to the new Parliament and also reasonable to suppose that the number of 3 may prove insufficient when that Parliament is enlarged to 410 Members.

I must say that I somewhat agree with the reservation expressed, I think by Mr Patijn, with regard to the second paragraph. I am not quite sure why it should refer to the need for the quaestors to be members of the Bureau in an advisory capacity. This seems to me a little obscure and possibly the rapporteur could expand on what the intention behind this is, and what sort of members of the Bureau they are to be. But I do not have any great fears in that regard and do not see it as a sufficient reason for rejecting the proposal.

With regard to the proposal to change the minimum numbers required to form a group, I am entirely in favour of the proposed amendment. It seems to me an extremely modest amendment. It does no more than make a proportional adaptation to the rules for the new directly elected Parliament. It would seem to me in fact absurd not to try and take some sort of measure of this kind.

We are going to give a rule book to the new Parliament. It is not that we are not handing them rules, and it seems to me that it should be our duty to try and see that these rules reflect as closely as possible the realities of the new Parliament. Very considerable privileges are attached to forming a group, and it seems to me quite reasonable therefore that a limit should be set on the number of groups that can be formed within a parliament.

It would seem to me that Mr Cunningham's proposal that we should change the rule which stipulates that, where a group is composed of less than 14 Members, at least three Member States must be represented in it, would introduce a more important change than hitherto proposed. In fact the proposed amendment makes a concession in this direction when it states that in future a group of 21 Members need only contain Members from two nationalities. This concession is along the lines of what Mr Cunningham wants, and it seems to me that it goes far enough for the moment.

It is the function, I think, of this Parliament to have multinational groups. I do not see any objection in

principle to the Rules of Procedure containing a provision discouraging the formation of national groups. I certainly think there should be a limit on the number of groups that can be formed within the Parliament, and I therefore considered this amendment to the Rules as a very modest amendment entirely within our capacity and within our rights to propose for the new Parliament. The new Parliament will be able to change the proposal if it wishes to do so. If we put in the amendment, we protect the Parliament from the possibility that, small groups may be formed before the future Parliament has had a chance to grasp the question directly.

For all these reasons, Mr President, I am strongly in favour of that amendment and I hope — although in view of the objections which have been raised, and your (in my opinion correct) ruling that the vote should be taken under Rule 54, I am not very confident — that it will be passed this afternoon. However, I certainly hope it will be.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote, together with the amendments tabled, during voting time this afternoon. The debate is closed.

#### *7. Directive on the protection of the interests of Members and others in sociétés anonymes (resumption)*

**President.** — The next item is the resumption of the debate on the Schmidt report (Doc. 136/79).

I call Mr von Bismarck.

**Mr von Bismarck.** — (D) Mr President, ladies and gentlemen, yesterday, on the occasion of winding up the work of the present Parliament, we heard some extremely solemn and thoughtful words about the quality of this Parliament and its commitment to the cause of democracy. But I think we all also appreciate that this is a democracy with the quality of freedom, in which power is so controlled and balanced that the individual citizen has freedom which he does not just accept impassively but enjoys with an active sense of responsibility. From the beginning, the balance of power in democracy has always exercised people's minds. I think it is the first task of any parliament — and this has usually been the main justification for the system — to ensure the equalization of power between citizens and between groups of citizens. And this is likely to remain the main task of this Parliament when it is directly elected. We certainly have a number of objections to the distribution of power at present obtaining in European affairs.

Among many other things, employee participation is also a question of the distribution of power and it is not enough for us to parade the moral objective of involving workers in economic decision-making: we



**von Bismarck**

must give thorough prior consideration to the consequences of any changes we adopt.

The rapporteur said yesterday that Parliament would be failing in its duty if it did not now reach a conclusion in this matter, and he based this on the fact that this draft directive has been before us for several years. There is no doubt, however, that it would be an even worse failure on the part of Parliament if we were now, without carefully weighing the pros and cons, to adopt in this House a motion which — as I was told yesterday — came before a very one-sided selection of the members on the Legal Affairs Committee at its last meeting. This would be much worse because it would show a degree of carelessness in handling power. And that, ladies and gentlemen, is something we cannot afford after 79 years of the twentieth century. Our experience of power has been too serious for us to treat it lightly. Care in making any changes in the distribution of power is therefore a basic principle, and then we should remember that the proposals being made here are not of a general nature but go into details — and details about which it is impossible for the average Member of Parliament to have any expert knowledge from personal experience, any more than an ordinary trade union member or business man can understand what we actually do here and how we reach our decisions. To put it in a lighter vein: after nine months in this House, and even with 10 years' experience in another parliament, it is quite amazing to see how decisions are hatched here. It is thus all the more difficult for us here to judge how decisions are reached on a supervisory board.

This is therefore not the place to try and interfere, after an hour or two's discussion, with the details of power sharing. If we want to achieve more employee participation in Europe, we must not make maximum demands, particularly on questions of detail. The proposals before us here are essentially concerned with Chapter II, Article 3 (2) and Article 4, paragraphs 3, 5 and 6, which cover areas in which one Community country already has a great deal of experience. For the past 30 years we have been experimenting and gaining experience in this field. The striking thing here, however, is that these proposals disregard precisely this experience. In 1976, with all-party approval, we passed a bill in the Bundestag which took account of the lessons learned in our country. Precisely the proposals contained in that bill have all been pushed aside, although they were put forward. Why should this be? We put forward these proposals because our experience in handling power led us to be more cautious here. I should like to give you a classic example. In our dual system — a supervisory board controlling the management organ, the board of management — if we have a regulation, as is proposed here, giving the unions the right to appoint a member of the management board, the employee director, then this disturbs the balance between management board and supervisory board, as well as the relationship

between the management board as the employers' representative *vis-à-vis* the unions on the one hand and the employees' representatives on the other hand. The basis for free collective bargaining — to put it in industrial relations terms — is destroyed. What would this mean? It would destroy the autonomy of wage negotiations, the mechanism which allows wages, the price paid for work, to be freely agreed. The alternative would be orders handed down from government officials, from civil servants. That, ladies and gentlemen, cannot be our aim. To put it plainly, this would mean adopting an arrangement which would destroy a key feature of our system, namely the ability of the people, the unions and the employers to determine free prices.

The second point is that this proposal, which covers something that we in the Federal Republic have not found to be an acceptable solution, is designed to arrange things in such a way that there is no longer any clear way of resolving conflicts. According to this proposal, a person is to be put at the top, with power to take decisions, who will normally have no specialist knowledge. We have tried this and in our opinion it is not a good arrangement. Moreover, the result is to establish within the management board a situation where, in ways that are difficult to detect from outside but are thus all the more effective, the members of the board are dependent on trade union decisions. This means an end to decisions on introducing new products or opening up new paths. We shall eliminate courage from the boardroom, thereby eliminating also — and this is a very serious point — the increases in productivity which form the basis for all our hopes of improving the social balance, improving the distribution of wealth in Europe and helping the underdeveloped countries. If we eliminate courage from the boardroom we shall substantially reduce the rate of increase in productivity. This is an extremely serious question, which we cannot afford to see in terms of the clichés of capital and labour.

There is one last point I should like to make. The proposal put forward here to make a sizeable reduction in the minimum number of employees, i.e. the number above which this participation system applies, has also not been properly thought out. This system requires a certain organizational capacity in the firms. The figure 250 takes in a large number of small and medium-sized firms and would impose quite excessive burdens on the whole small-business sector.

Finally we have here the proposal to allow the Member States to decide whether the workers are to have an individual say, in other words how the election process is to operate. That is precisely the opposite of previous practice. This now sets aside a lesson we have learnt, namely that it is important for the workers to hold elections on the factory floor, thus leaving the possibility that the unions alone may be allowed to decide.

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These examples should be enough to show that this question has not been discussed thoroughly and no account has been taken here of the lessons that we must take into account if we are to be sufficiently careful in the way we handle power. We now propose that Mr Caro's amendment, which fits in exactly with what Mr Davignon said yesterday, should be adopted. In this amendment the Commission is asked to submit as soon as possible an improved proposal taking account of the experience gained. And that is why it says that a workable form of parity must be found, i.e. one that is compatible with the laws of freedom and of power and is balanced and well thought out. I think this amendment should be acceptable to everyone in this House. It may well be right — and Mr Davignon commended them for this yesterday — for the Legal Affairs Committee to call on us to set out objectives here that are applicable at European level. But it would be quite wrong for us to make detailed, extreme demands which are not practicable and would in fact reduce this whole affair to an absurdity. I ask you, therefore, to adopt our amendment.

*(Applause)*

## IN THE CHAIR : MR ADAMS

*Vice-President*

**President.** — I call Mr Jakobsen.

**Mr Jakobsen.** — *(DK)* Mr President. I am very sorry that my colleague, Mr Stetter, had to concentrate yesterday on points of procedure since there were only 5 minutes left. I am not objecting to him doing so but it was a pity since both Mr Stetter, the European Conservative Group and myself have a number of fundamental points we wish to make which are to some extent in line with what Mr von Bismarck has just said and some views were expressed in yesterday's debate with which I feel in any case obliged to disagree.

I fully support Mr Stetter's remarks; it is indeed the most preposterous idea imaginable to resort to sharp practice of this kind to get such a motion through this Parliament. Now, when we are on the brink of direct elections, to behave in such a way is like treading on people's corns. It is a most sensitive issue in all our countries. People say that down here there are cliques trying to foist something on the member countries, particularly the small countries, which they do not want, and this is a typical example. There are very few people in Denmark who have any enthusiasm for this motion, and that goes for the working class too.

Almost everything in this document rests on false premises. It was said yesterday that the Conservatives were reactionaries, but that depends on the direction

taken by developments. If you think that the path to socialism and collectivism is inevitable, then it is fair to describe those who wish to follow a different path as reactionaries. But it is wrong to assume that we are heading for increased collectivism and moving away from private ownership and private initiative, that is no longer the case. Even in Eastern countries more and more emphasis is being put on getting the individual to assume responsibility, getting him to produce etc. The participation of employees is advocated in the report but it is really the participation of the trade unions, of shop stewards which is aimed at. In any case, there ought to be a provision stating that employee participation would be agreed to only on condition that a majority of the employees in any undertaking voted for it, for if the employees do not want it their professional organization must not force it on them. That would be unreasonable.

There was a reference yesterday to another false premise, when it was said that this was in the main an attempt to achieve industrial peace, but that is not a convincing argument. Industrial peace in our labour markets is not disturbed by the lawful trade unions. In all our countries, with the possible exception of the United Kingdom, trade union leaders are moderate people who understand the country's needs but, if these moderate leaders share responsibility for the undertaking, the revolutionary groups among the workers will do everything possible to embarrass these lawfully elected leaders, there will be more, and not less, unrest, that is what will happen everywhere. It is not the lawfully elected trade union leaders in the various countries who cause unrest in the labour market, but rather small groups which, in opposition to the lawfully elected leadership, start wildcat strikes. Finally, there is one other objection I would make. It was stated, I think by Mr Schmidt, that this was a measure which could be implemented without difficulty in all the member countries. Not in Denmark. It is probably against Danish Constitutional law right of property, which is interpreted by both sides of industry to mean that the employer has the right to direct and allocate work. This is a provision of Danish basic law. No Danish Government can deviate from this principle and, if the Government was in any doubt about any legislation which seemed to be in breach of it, then not less than 60 members of the Danish Parliament could demand a referendum on it and it would be resoundingly rejected. In Denmark, with the many small firms which are a dominant feature of the country, there is no popular demand for restriction on private initiative or for controls of large undertakings, for we have none of any importance. Such a measure could therefore not be implemented in Denmark, although I know quite well that there are those who would like to. Denmark stands firmly behind the system of private capitalism, as does a majority of the Social Democratic voters. I am sure of that because I was in that party for 40 years and was

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one of its members in the Folketing for 20 years. A majority of the Social Democratic Party in Denmark does not want socialism nor anything that tends towards it and that is really what this motion is aiming at.

It would remove an employer's right to direct and allocate work and would as a result undermine the very basis and essence of the capitalist system; I would therefore warn all those who are not for ideological, fanatical reasons committed to supporting this motion. I would recommend that it be rejected and, in any case, it would suit the Socialist Group if it was withdrawn and if we said that Mr Davignon's proposal represents a considerable step forward, that we are fully confident that Mr Davignon will continue along the same path and that we would urge the new Parliament to adopt the same attitude. But this motion, put forward on one of the last days of this Parliament does, I repeat, tread on people's corns.

**President.** — I call Mr Christensen.

**Mr Christensen.** — *(DK)* Unlike my compatriots, Mr Stetter and Mr Jakobsen, I am opposed to this motion not out of concern for the interests of the employers nor because of conservative principles; my attitude is based rather on the idea of national self-determination. I do not think that the article referred to confers any legal or treaty right on the European Communities to adopt this proposal.

I would also argue that the labour market has a right of self-determination and that these are matters which the free organizations of the labour market, both employers' and employees' organizations, should discuss and decide on, instead of having to conform to a preconceived pattern over which they have no influence. The right place for discussions and decisions about such matters is the shop floor and it should be up to the employees themselves to assess the importance of the right to participation and to decide their attitude to it. It should be up to them to fight for greater rights of participation if they want them.

I shall therefore vote against this motion because it infringes the national right of self-determination and the labour market's right of self-determination, as regards both employers and employees.

**President.** — I call Mr Geurtsen.

**Mr Geurtsen.** — *(NL)* Mr President, I have asked to speak, not on behalf of my Group, but as vice-chairman of the Legal Affairs Committee. The chairman, Sir Derek Walker Smith and the other vice-chairmen are unable to be present, and I am therefore the only one here able to represent the Legal Affairs Committee.

It has been recalled in this debate that we are discussing a proposal which has been under examination by Parliament for a long time: indeed, the

committees have been looking at it since 1972. This certainly true, as far as it goes, but part of the reason for the long delay is that the European Commission came up with amendments to the proposals it had originally submitted. So it is not the case that the most recent version of this proposal is seven years old; it is in fact about two years old. By itself, of course, this is no reason to say that we need not deal with it as rapidly as possible. But the point has rightly been made in today's debate that this matter is too important to be rushed. When I look at what has happened in recent months, and I have had the privilege of looking at this matter both in the Committee on Social Affairs, Employment and Education and in the Legal Affairs Committee, I am obliged to recall that the Social Affairs Committee formulated its opinion to the Legal Affairs Committee in a space of approximately ten minutes, without learning what Mr Schmidt intended to propose to the Legal Affairs Committee. And I must also record that the matter was raised in the Legal Affairs Committee in rather unnatural circumstances, and was dealt with at a meeting which, to put it mildly, was not very representative.

In these circumstances, and in the light of today's debate, I feel that as a member of the executive of the Legal Affairs Committee I have no alternative but to ask you to refer the matter back to the Legal Affairs Committee, so that the debate may take place in a more correct manner than now appears to be the case. As vice-chairman and representative of the executive of the Legal Affairs Committee I therefore formally propose that the matter be referred back to the Legal Affairs Committee.

**President.** — Mr Geurtsen, I am quite sure that all the arguments you have just adduced could be applied not only to this report and this motion for a resolution but also to many others. I do not know whether this is the right moment to request a referral back to committee.

I call Mr Broeks.

**Mr Broeks.** — *(NL)* Mr President, following Mr Geurtsen's remarks I should like to say one or two things. Mr Geurtsen suggested that the Legal Affairs Committee rushed things somewhat, and that the various groups were not properly represented. At the first meeting in Rome everyone knew exactly what was going to happen. Mr Geurtsen, and others too, could have been there if they wished. When the Rome meeting did not lead to a conclusive result a new meeting was arranged and this took place in Strasbourg during the part-session. All those who wanted could have been there too. If you don't attend a meeting, you mustn't complain later that it was such a pity that you could not be there. After all, virtually all the groups are perfectly capable of sending representa-

**Broeks**

tives to a meeting of this kind. If they decide not to, they know what they are doing. I have therefore very serious objections to Mr Geurtsen's argument. There was no rushing things and it is not true that the groups did not know what was going on. There were two normal meetings.

In general, indeed, the Rome meetings were well attended. Unfortunately some matters were dealt with in a bit of a hurry, but that is a feature of many meetings. Mr Geurtsen says that the latest version is two years old. But I consider that two years is a long time to take over the Fifth Directive, which had already been discussed for five years. The first rapporteur was Mr Reischel. How long ago is it now since he left Parliament to go to the Court? We have been dealing with this matter all that time! Certainly, the previous Commissioner promised to submit a report, and indeed did so. There is thus nobody in this Parliament who does not know this matter inside out. So any suggestion that the member of the Legal Affairs Committee were cowed into submission is quite unjustified. The matter was dealt with in a perfectly normal manner, and this applied not merely to the Fifth Directive, but also to the Eighth Directive. As you said, Mr President, the same is true of a number of other matters which it was felt had to be dealt with and not left to the directly elected Parliament. Mr Geurtsen knows as well as I that two or three years is not excessive for the examination of this Directive.

Mr President, why am I protesting? Our chairman was not there, Mr Geurtsen was not there, the other vice-chairmen were not there. So I acted as chairman of our Committee, and I find it entirely unacceptable that people who did not attend the meetings should come here and say that the chairman did not do his job properly. I protest most strongly!

**President.** — I call Mr Schmidt.

**Mr Schmidt, rapporteur.** — (D) Mr President, I should like first to say something about Mr Geurtsen's motion. Rule 26 expressly refers only to the chairman, not to any deputies, and I think that if, although a meeting had been properly convened, we are going to have requests for reference back to committee on the grounds that certain members were not present, then this Parliament and the forthcoming Parliament will become totally incapable of adopting any motions, because it will happen time and again that the composition of a committee is more or less one-sided or that not all members were present. Both in the discussions in Rome and at those in Strasbourg a number of groups — at least two or three and sometimes four — were present at the meetings. And if all the groups were not equally strongly represented, then this is simply because the individual groups probably have differing views on these questions and attach varying degrees of importance to them.

Now I should like, as rapporteur, to say a few words in reply to those who have spoken in this debate so far. I should like to see more honesty in this debate. There is no point in saying that this must not be steamrollered through. After seven years of discussions there can be no question of steamrolling it through. Nor is it true, Mr Geurtsen, that the Commission has made new proposals. It has submitted a working document while expressly emphasizing that it is making no new proposals. The problem has been before us for so long, and all the ins and outs of it were discussed in connection with the European company. All the problems that were discussed in connection with the European company come up again here. I should like to see more courage here in this debate, so that if you find this directive politically unacceptable you do not say it should not be steamrollered through. If that is the case, please say straight out that it is politically unacceptable. I must quote here a passage from Goethe that may not come over very well in translation. The situation is similar: Thoas is wooing Iphigenia and she makes all sorts of excuses, to which he then replies: 'In vain one wraps refusal up in words; all that is said so clearly answers no.'

It is also in vain for those of you who find this politically unacceptable to say it must not be steamrollered through and that, while it is reasonable to give the workers more participation, the whole question calls for a great deal of time and cannot be rushed through. You should have the courage of your convictions to take a political decision and not make excuses in another direction.

Then there is the oft-repeated point about gathering experience. Even Mr von Bismarck could not help mentioning that we in the Federal Republic — and the same could be said of other countries — have decades of experience of employee participation, and I should just like to remind you that the participation law with the greatest degree of parity ever in the Federal Republic of Germany was adopted under Chancellor Adenauer with a CDU-CSU majority, and that it was primarily representatives from the coal and steel sector and members of your own group such as Mr Burgbacher and Mr Springorum who were particularly staunch supporters of employee participation and in particular of participation on a basis of parity.

And looking back to the debate we had at that time, I recall that, for example, Mr Bangemann said on behalf of the Liberals: 'We thus reject the solution contained in the modified text of the Legal Affairs Committee, which in our view does not provide parity.'

That scheme in fact failed to provide a balance, and in that debate Mr Bangemann, like Mr Springorum and Mr Burgbacher declared his support for employee participation on a basis of parity. There may well be reasons for opposing this, but it is no use explaining

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this attitude by saying that the whole thing should not be steamrollered through.

Mr von Bismarck, concerning any confusion on account of the inclusion of the employee director, there have been various attempts, to take action against such arrangements for example in the Federal Constitutional Court. No one has ever criticized this, and you, as a representative of industry, can hardly deny that it would be difficult to find a country where there has been as much industrial peace as in Germany, in the German steel industry. For decades there were hardly any strikes, the reason being that workers' interests were represented in such a way that many problems could be solved without resort to the ultimate form of industrial action.

If you go on the say that investment decisions are at risk, I think you ought to ask the workers themselves. Generally the workers are even more interested in investment within the company than the shareholder or holder of capital, since the latter are concerned about their yield, while the workers are well aware that investment within the company protects their jobs. There have never been any difficulties with the workers when a company wanted to invest. Trouble is more likely to come from other quarters. It is in fact a spurious argument to say the question has been left open as to whether decisions are to be in the hands of the workers or the unions. That is just not true. It is sometimes a good idea — and I would also commend this to Mr Jakobsen — to read the proposal through again before the debate.

Moreover, if the workers in a particular company do not want participation, they have an opportunity of rejecting it. This is expressly provided for in the directive. No one is forced to accept participation, everyone is free to decide for himself — and this decision is in the hands of the company's own workers and no one else. And for the election process we have expressly provided that the elections should be carried out in accordance with national laws and that the decision on procedure is up to the Member States. It cannot be said that this in any way introduces an outside influence. Our proposal is based on the principle of decisions at national level on the election of representatives by the workers in a company; to what extent account should be taken of members from outside is another question. I think that in the Federal Republic we have found a reasonable solution here to the problem of reconciling both interests.

It is absurd, when discussions here have gone on for many years, to talk about sharp practice. As rapporteur for three different reports I have covered these questions often enough in the Legal Affairs Committee. There are a number of Members here in the House, for example Mr Shaw, who have often contributed to the discussions. I am sure Mr Shaw will agree that we have above all thoroughly discussed the critical points. There can thus be no question of springing this decision on you. Perhaps your image of treading on corns

is more to the point. For if someone does not want a particular thing and already feels threatened by the presentation of the draft directive, and then someone else tries to actually get the directive, adopted that could perhaps be like someone treading on your sensitive corns. The idea of sharp practice, however, is something I must, after all our discussions, categorically reject, which is also only fair to the chairman of the Legal Affairs Committee, who has been at pains to make sufficient time available for these discussions.

Now a word on the path towards collectivism and the question of responsibility. You can hardly ask for more responsibility for the individual than is provided by employee participation. There is no shortage of workers who say: 'We do not want to be shackled with this responsibility. We want a clear demarcation of responsibility and will not let ourselves be trapped into sharing responsibility for the company.' Your argument completely misses the point of what participation means, for it involves responsibility for the workers and for the company. If the workers have this responsibility in the company, however, then this is only right, for it is their jobs, their incomes that are at stake in a company. The idea is not just to take investment decisions in accordance with the entrepreneur's expectations of profit but to take account of the workers' interests as well.

I think it is terribly important for Parliament to reach a decision today. I should therefore like to insist that, if you do not want employee participation because you are against participation in principle, you should actually say so and not repeat arguments about sharp practice steamrolling and so on. There is no truth in that at all. We have thoroughly discussed this and it is now time to take a political decision and to stop making excuses about the time factor.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, I have not much to add to what my colleague, Mr Davignon, said on this subject last night, but it might not be entirely out of place if I did say a few words, since for four years this subject was my principal concern. I must begin by saying, with some regret, that this debate reminds me to an alarming degree of debates which I listened to when I first discussed this topic in this Parliament, in 1973 and 1974. Later on we made significant progress, the Statute for the European Company and other Community directives were adopted. But it now seems to me that the previous antagonisms are reappearing and I very much regret it. I do not know whether this should be attributed to the forthcoming election or to other reasons but I feel, nonetheless, that it is much to be deplored. Why? Because I am convinced that the topic we are discussing, worker participation, is not merely a Christmas-tree decoration. It is a matter of fundamental economic and social importance for our societies.

## Gundelach

It is generally recognized that our economic and industrial structures are undergoing a fundamental change. If anyone was under the illusion that the years 1973, 1974, 1975 and a spell of unemployment would see the end of this period of change, and that matters are now about to improve, he should think again. The events of those years swept us along like a furious tide; another tide is approaching and we are completely unprepared for it. There must be another fundamental change in the way in which we conduct our economic affairs, in the way we adapt our industry to a totally new world. There are problems here of a magnitude we have not known since the end of the Second World War. Let there be no mistake about that!

If these problems of reorganization are to be solved, it must be on a basis of cooperation and we therefore need cooperation on the shop floor. I take Mr Jakobsen's point that this requires the cooperation of the workers at their workplaces and full respect for the trade unions and the rights of the trade unions. But the aim of this reform is in fact to achieve cooperation between the managements of undertakings and workers at shop-floor level. This is something fundamental and it would be a retrograde step if Parliament today simply referred the matter back to the Legal Affairs Committee. It has been discussed for years, as has been pointed out, and not a single argument has been put forward here today which I have not discussed for hours in the Social Affairs Committee and the Legal Affairs Committee and in full session. Nothing came of it all and I agree with Mr Schmidt that the time has come for this Parliament to give its opinion on the Fifth Directive so that we can make some progress. Another consideration is that this Fifth Directive is a fundamental element in the chain of directives concerning company law. If it is delayed, a number of other matters will also be delayed, an entire sector of Community activity will be put on ice at a time when, more than ever, we need reform in this area. I must therefore recommend Parliament as strongly as I can to approve the motion, as my colleague, Mr Davignon, has proposed. Personally speaking, I have no doubt that during the further discussions and regular contacts between Parliament and the responsible Commissioner, between the Legal Affairs Committee and the responsible Commissioner, certain textual adjustments will have to be made to Articles 3 and 4 in the light of the lessons which we must learn, not in the field but at a political level. I must say to Mr Stetter that, however sympathetic I am to the idea of a solution based on parity, one cannot get away from the fact that we live in a Community where the pace of development in different areas has not been uniform. We all agree that the aim should be to have identical provisions or to ensure that the various wordings have the same force. Our attitude must not be so rigorous as to require exactly the same formula in every single case. So long as the same level

of result is obtained, it will not be possible for anyone to say that this or that country has not progressed as far as another, even if it may choose a somewhat different path. I therefore imagine today, as I did three years ago, that there could be certain fundamental choices. It is for that reason that I mention the possibility of textual alteration in the political discussion, but that discussion cannot begin until this Parliament has given its opinion on the Fifth Directive. If we do not do so, we shall remain stuck where we are and shall not move on to the political discussion which is of fundamental importance for our economic and social development. I therefore request once more that Parliament's opinion on the Fifth Directive be adopted today. You have the Commission's guarantee that further work remains to be done with Parliament on Articles 3 and 4. That should satisfy the Socialist Group.

**President.** — I call Mr von Bismarck.

**Mr von Bismarck.** — (*D*) Mr President, ladies and gentlemen, I must, for several reasons, reply to Mr Schmidt. First of all, he described me quite simply as a representative of industry. May I point out to you, Mr Schmidt, that when I entered the Bundestag I broke off any connections with my firm. I am in Bonn as a completely free man with a conscience of my own. I am not aware that all trade union representatives left their unions when they came to Bonn. So much for me personally.

Secondly, you spoke of honesty. You have not yet told this House that the fundamental proposals you are putting forward cast aside something that was adopted by the German Bundestag by an overwhelming majority and that you are harking back to old wishes which the Bundestag simply did not regard as realistic in the light of experience. The Members of this House must realize that we are here taking a step back and disregarding the Bundestag's ability to take decisions on the basis of experience. Your three-way parity is a step back, not a step forward. The Christian Democrats' amendment sets out the goal we want to achieve. You have been glossing over this. Our aim is not to play for time but to fix our objective. That is what paragraph 6 is about, and if you had been honest you would have recognized that.

Thirdly, if decisions are to be taken on this question now, they must — as Mr Davignon's representative said — represent a step forward in all the Member States. In our country, Mr Schmidt, we have 30 years' experience. The relevant legislation was drawn up by the Christian Democrats. It was brought up to date with our help in 1972. The current legislation, which

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has not yet had time to prove itself in practice, is the result of a joint effort. Why are you now trying to create the impression that the other side wants to turn the clock back? No, we sincerely want to move forward, cautiously and step by step. It is caution that obliges us, in deciding a question such as this, to regard the distribution of power as a central issue. You cannot simply sweep it aside and say 'we are for the workers'. What do the trade unions in the Federal Republic say to that? They put it in black and white; seats on the board are political posts. They want a foot in the door in order to be able to apply pressure on the employee director. That is what our trade unions say in print. It would therefore be completely dishonest suddenly to try and exclude the question of power from discussion in this House and relegate it to a subsidiary position. No, this involves power as well. Care is needed here, for any excess of power destroys freedom in a pluralistic democracy. It is easy to make moral demands but much more difficult to balance them properly against the demands of freedom.

My last point is this. You say that everything you say is for the workers. Pardon me, but you are forgetting that the worker is also citizen and consumer. If you regard the question of increasing productivity as an entrepreneurial question, then you have not understood the first thing about the market economy. The purpose of the market economy is for all citizens to have freedom, freedom from bureaucracy and the freedom provided by an income which gives them the power to decide. Therefore you cannot make the management organs dependent on political decisions from case to case, because otherwise we end up with the sort of machinations we can well do without. I think these are things we must discuss in all seriousness and cannot lightly sweep aside. I should like the Commission to put forward a solution which will allow us to move decisively forward on the sound basis of experience.

## IN THE CHAIR : MR SCOTT-HOPKINS

*Vice-President*

President. — I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, I have not hitherto intervened in this debate, but have listened with great interest to the impassioned plea made by Mr Gundelach, who naturally wants to see the Commission's proposals accepted. I understand the position Mr Gundelach's feelings to be in as a Member of the Commission. But he ought not to forget that he is here facing parliamentarians who are about to go into elections, and whose approach at this time is no longer objective, and who are really only interested in the opinions of their voters, 65-70 % per

cent of whom are wage-earners. We can follow your argument when you state that owing to the structural and cyclical *malaise* in our economy something has indeed changed in social relations, and that there has been a change in the companies, indeed that we have in recent years evolved the concept of the 'company Community'. This implies that the three parties in a company are obliged to cooperate with a view to ensuring the future of their company. The three parties, of course, are the investors, the workers and the management.

In recent years we have seen too many companies in Europe bite the dust owing to mismanagement. In recent years we have seen many decisions taken affecting thousands of workers, whose opinion was not asked, and who were presented with *faits accomplis*. That is the new atmosphere which prevails today and my question to you is this: are you prepared to discuss this matter objectively? Are you prepared to discuss this matter seriously with the parties concerned? If so, do not insist on this Commission proposal, because it leaves so many possibilities of interpretation open that it will most certainly only cause great confusion among the public during this election campaign. I will not deny that in my own *gripiu* there are various currents of opinion on this whole matter. But the same is true of the Socialists, for some Socialists want autonomy, and are not interested in worker participation, even on the basis of complete parity. They too include persons who hold this view.

At this time, just before elections, and when the political parties have to contend with these internal tensions, it is unwise to ask us to take a decision on this matter. Raise it again with the directly elected Parliament. You have plenty of time. From 1973 onwards I have been involved in the preparation of this Fifth Directive as chairman of the Social Affairs Committee and as rapporteur. I took part in all the discussions during the time of Mr Coppé and others when we got to grips with the one-third question which caused difficulties in the composition of the supervisory board. We rejected it in Parliament, because we had proposed a parity representation of three times one-third. The Commission did not ~~accept this proposal~~ and came back with ideas along the old lines, and at the present time there are great differences of opinion in spite of the flexible nature of the proposal. Mr Schmidt suggests that each of the Member States should develop a system of its own. But if we do that, what is left of a European *société anonyme*? The answer is nothing, for then we shall have the same differences which now prevail among the Member States.

What we need, therefore, is a directive with a number of clearly delineated basic principles, which must

**Bertrand**

provide the foundation for the concept of a European *société anonyme*. It is perfectly acceptable to start it off on an optional basis, given the tremendous divergencies between the systems obtaining in the various countries. Those who wish to accept it, however, must be given the opportunity to do so, but on the basis of clear principles which indicate how the supervisory board is composed, what its powers are, and how it is chosen. We are for parity cooperation on these conditions. This is the unanimous view of the Christian Democrats. If the Commission is prepared to accept this principle, and prepared to look for a formula for a supervisory board set up on a basis of parity, and which is workable and viable, we are prepared to give you the opportunity to continue your discussions tomorrow on this basis, and to raise the problem again in a couple of months' time in the directly elected Parliament. For you know, Mr Gundelach, that the trade unions are greatly divided about the way in which codetermination, that is worker participation in management, should be organized in the future, and since the time is not ripe we must not try to push this thing through now, just before the elections, for otherwise we shall cause enormous difficulties which can only be detrimental to the Europe we wish to build. If the workers become confused as to the possibilities open to them in the new Europe they could well withdraw into apathy and indifference and refuse to take part in these elections, which would mean, of course, that the elections for the European Parliament would be a total failure. We cannot take that risk at this time, and that is why I should like to urge that we should limit ourselves today to agreeing on the basic principles, so that you can continue the negotiations tomorrow.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Mr President, ladies and gentlemen, I shall try to be much briefer than the previous speaker. Indeed, I asked to speak simply to make three points in reply to Mr von Bismarck's second speech.

Mr von Bismarck, it is a fine thing to argue about words, and there is also room for discussion as to what we actually mean by parity. One thing, however, has always been clear to the Social Democrats in the Federal Republic, and that is that the present participation law does not establish parity but can at best be described as an approximation to parity between employers and employees. That has always been the view of the Social Democrats and of the German trade unions. If we have nonetheless entered into this compromise, then that is because we are very much aware of being in coalition with the Liberals, so that it was not possible to go any further and what we did achieve was better than nothing at all.

But if you claim, Mr von Bismarck, that this now shows that this law is what corresponds to the general social conscience at present in the Federal Republic — that is roughly what you said — then I would say that this is clearly true at least for participation in the coal and steel industry, which is participation on a real basis of parity with an employee director; with regard to more general proof of the social effects it must be said that the current participation law has only been in force for a relatively short time and has yet to prove itself, whereas I think there is no doubt that participation in the coal and steel industry has already stood the test of time.

One last remark, Mr President, on something I think must be corrected. Since it has been said that the revised, really effective German law on industrial relations was adopted in the Bundestag with the help of the CDU-CSU, I should like to point out here that this law was adopted in the face of opposition from the CDU-CSU with the exception of, I think, 29 CDU-CSU colleagues who voted with us.

**President.** — I call Mr Geurtsen.

**Mr Geurtsen.** — (NL) Mr President, Mr Gundelach is quite right to stress that this is a matter of vital importance. I do not think anyone has denied that. But it may well be asked whether it is right to force a decision on Parliament if the matter is indeed so vital. I don't want to sound unpleasant, but Parliament is probably meeting for the last time this week, and it is really on its last legs. In fact, you could say it has one foot in the grave. It is just because it is such a fundamental and vital matter that I felt it necessary to make a proposal that would avoid having to take these decisions today. I understand Mr Gundelach's impatience. He naturally wants to see his efforts over a number of years crowned with success. I fully understand that Mr Schmidt wants to have his report dealt with finally today. It is naturally very unpleasant to leave the matter hanging in the air, but it is not because I am afraid to commit myself politically that I propose that this matter should not be dealt with today. I made that political commitment when the right of worker participation was introduced in the Netherlands, by a Netherlands Government which contained Liberals, by the way. And the present government in the Netherlands, which combines Liberals and Christian Democrats is currently giving greater substance to these workers' rights. It is in no sense a political issue for me that workers should have rights of codetermination. I endorse what Mr Bertrand said — workers must have a say in the running of their concerns if only to ensure proper cooperation. So that is not the point.

If it had simply been a question of deciding today on the Commission's proposal as such, a proposal which



**Geurtsen**

indeed has been with us for a number of years, I should have had no hesitation. But Mr Schmidt has made a number of fundamental changes in the Commission's proposals, changes which are very recent. They are fundamental not merely in a political sense, but also with respect, for example, to the position of the trade unions. The say which Mr Schmidt wants to see given to the joint consultation councils will have consequences for the position of the trade unions.

I am not suggesting that we have no right to take decisions which would have adverse effects on the position of the trade unions, but if we are going to adopt that viewpoint publicly the trade unions must at least be given the opportunity to react and let us know their views on this.

Mr Schmidt's proposed changes are of such recent date that those involved have not even had the opportunity to let us know what they think about them. It would be most incorrect of us now to proceed to decisions on these matters without this opportunity being given to those concerned. I should like to make that quite clear to Mr Broeks. This is not intended as a criticism of a man who, although of a different political persuasion from myself, is one for whom I have great affection, and who presided over the most recent meetings of the Legal Affairs Committee because nobody was present from the committee's executive. It was not my intention to criticize him. I have not gone into the reasons why the attendances at the committee meetings were as they were. I have simply stated the facts. I have simply pointed out that the number of committee members who took part in the preparatory discussions for this plenary part session was insufficient, whatever the reason for that may have been. As you are probably aware, Mr Broeks, the reason I was absent was that we Dutch were occupied with the campaign for the coming elections. I am afraid I do not possess the gift of being in two places at once. When I am in place A I find it beyond my powers to be in place B at the same time.

Mr President, as vice-chairman of the Legal Affairs Committee I have tabled a proposal. Mr Schmidt has reminded us that the Rules of Procedure provide that the rapporteur or the chairman of a committee can propose that a matter be referred back to committee. The question now is whether the term 'chairman' in the Rules may also be taken to include the only vice-chairman of a committee who was present at the time. In my view this is the obvious interpretation, because if it were otherwise it would mean that the question of whether a proposal may be tabled to refer a matter to committee would depend on the fortuitous presence of one man. Clearly, we must be reasonable, since this is a possibility which would be politically abused.

That is evident. The political opinions of the committee's chairman and vice-chairmen differ. If such a facility should be politically abused, I believe that the committee should draw the necessary consequences. I stand by my view that if the chairman and the more senior vice-chairman are absent the vice-chairman who is present must be regarded as the chairman in the sense of the Rules of Procedure of our Assembly, and that as chairman he can table a proposal for referral back to committee.

I have made that proposal. I see one other possible way of getting off the horns of this dilemma. If my information is correct, Sir Derek Walker-Smith is with us again this afternoon. He is the real chairman. I do not consider it absolutely vital that you take a decision on my proposal at this moment. As far as I am concerned, it can quite properly be left until Sir Derek is present. Then we can see whether Sir Derek, as the real chairman, is prepared to take over my proposal.

**President.** — Mr Geurtsen, I will deal with your request at the end of the debate.

I call Mrs Dunwoody on a point of order.

**Mrs Dunwoody.** — Sir, I wonder if you could give me some guidance, because it does seem to me that we are having a very interesting debate. People are not only making one speech but they are making two, and this goes for a number of people who have intervened in the debate so far. Now why is it that we appear to be having a totally open-ended debate where people, if you will forgive my saying so, appear to be filibustering deliberately, when we had four specific debates on social subjects, including unemployment and equal pay, and they all of them were limited as to time to such an extent that some groups felt that they weren't able to participate fully? I wonder if you would explain to me how it is that some people appear to be able to use the procedure to do whatever they like when they want to filibuster.

**President.** — Mrs Dunwoody, as Rule 31 (2) of the Rules of Procedure states, no Member may speak more than twice on the same subject except by leave of the President. So far no one has asked to speak for a third time. When Members speak, they are limited by the Rules of Procedure to ten minutes. One hopes that the second time they intervene, they will not take the second full ten minutes. But as far as the Rules are concerned, that is so until and unless, at 7 p.m., the President of the moment limits speaking-time at his discretion. This he is entitled to do by the decision of 16 February of this year. Until 7 p.m. the Chair has no authority to do so.

I call Mr Stetter.

**Mr Stetter.** — (DK) Mr President, it is quite true that the proposal from the Commission for a Fifth Directive and the Commission's other documentation has been available to this Parliament for years. However, it is not the proposal from the Commission which we are discussing at present, but Mr Schmidt's report and opinion on the Commission's proposal for a Fifth Directive. This report was available in Danish on Tuesday afternoon and the amendments on Wednesday afternoon, i.e. yesterday, and this item was placed on the agenda for Wednesday evening. In other words, those of us who have spoken on this motion have had only 24 hours to study it. We have had no opportunity to examine the national background to our resolutions. I would like to point out to Mrs Dunwoody and other members that yesterday we had five minutes on which to speak on this fundamental issue and I would warn Parliament against rushing this motion through without members having an opportunity to express their views clearly and in detail. It would inevitably damage the reputation of this Parliament.

I thank Commissioner Gundelach for his serious contribution to the debate. I should like to say that there were two possible policy decisions which Parliament can take. Mr Schmidt's report contains a proposal for a supervisory organ based on parity and other proposals which I do not intend to discuss at present. We have Amendment No 1 from the Christian-Democratic Group which also contains a proposal for a supervisory organ based on parity.

I cannot travel down here to this Parliament on Monday and on Wednesday vote for a supervisory organ based on parity without having an opportunity to talk with my voters, with my many different interest groups, for whom it is crucially important to know what we are doing. To adopt this proposal for a supervisory organ based on parity would be to weaken the foundations of a private enterprise society. Instead then of talking about private property, let us rather consider the question of freedom of action. How on earth can we expect responsible management to operate if the supervisory body contains an equal number of employees and shareholders? It is just not possible. The management body is the most important group we have in our society, it must strive to create jobs and compete with other management groups throughout the world in order to maintain our position.

I cannot under any circumstances vote for a proposal which involves a supervisory body based on parity. I am quite willing to discuss the matter and, I may add, we sent out signals to that effect, to the Christian-Democratic Group among others. There has been no willingness, at least until now, to discuss the wording of paragraph 6. If anyone does want to discuss it, there

is still time, but it is almost 12.55 so not much time is left! In taking this line, I am aware that the topic we are dealing with is one of considerable importance. It is consequently the duty of Parliament to consider it seriously and we must also ensure that the societies we represent are still able to function after we have finished this discussion.

**President.** — I call Mr Caro.

**Mr Caro.** — (F) Mr President, as spokesman for the Christian-Democratic Group I set out yesterday evening, in the course of a sitting which had to be curtailed for technical reasons and in which each speaker had only two or three minutes, the reasons why the Christian-Democratic Group had tabled an amendment — Amendment No 1 — which had two fundamental objectives: firstly, to assist the Commission in proceeding with its task and above all not to bring this work to a halt; secondly, to make every effort to stress the evolutionary aspect of the proposal for a Fifth Directive, with a view to the harmonization not only of the existing systems in the various Member States but also of the conflicting political and social positions with regard to this problem.

If I may quote an example from my own country, while the politicians on the Left or in the 'progressive' camp are fighting for equal representation of the workers in the supervisory organs, it is quite clear that the unions — including those furthest to the left — do not agree with this objective, for want of the minimum conditions necessary to achieve it.

The Commission has thus accomplished a rather remarkable task in its proposed directive, and I think Parliament should welcome this and so prepare the way for further progress; if provision has been made for a minimum transition period of five years, this is clearly not a technicality — the truth is that this will take time and everyone is perfectly well aware of it.

But does this mean we must keep our true colours hidden? Must we therefore eliminate from our political programme the ideas we support? Some are not willing to put it in writing but are willing to seek a solution. Others are willing both to seek a solution and to put it in writing. Do you think that that has the makings of a political debate? Those whose aim is to grace Parliament with a really fundamental political debate are, in my view, turning this House into a forum for Byzantine disputations, splitting hairs about this parity or the form of employee representation, and this will ultimately discredit us in the eyes of the public.

The Christian-Democratic Group is aware that the demand for parity in the employee representation on the supervisory board is an objective which we should not only keep in mind but actively pursue in the work to be done by the Commission.

Caro

Now what has the Commission done? In Article 4 (5), it has made provision, in a liberal, open and progressive spirit, for a threshold — a minimum equivalence to take the expression used by the European Trades Union Conference — allowing for a maximum of two thirds for the shareholders and a minimum of one third for the employees. There is no need to be a legal expert to understand this.

The Christian-Democratic Group takes the view, in accordance with our social philosophy, that it is not sufficient, to refer only to this minimum requirement, and calls for provision to be made for the maximum case. On this question of fundamental principle, we share the attitude of a large majority of our colleagues in this House.

That is the purpose of our amendment: to help the Commission to complete its proposal and above all not to refer the matter for further study. It is not studies that are needed now, since the Commission has all the necessary material for presenting us with proposals: there is the report from the Legal Affairs Committee, there are the amendments which have been tabled and there is our motion. Need I add, Mr President — although I am not really entitled to say this — that since yesterday evening we on these benches, across party barriers, have been seeking a formula for agreement so as to reply to the Commission with a positive act and not with a further referral to committee. There are many of us who are concerned that the House should benefit from these efforts. I beg you, with a view to the meetings of the groups this afternoon, not to take a wait and see attitude which would reduce to nothing not only the work which has been done but also the efforts of those Members who, before this Parliament is dissolved, would like to give the Commission a chance of bringing its work to a conclusion and coming forward with proposals, which is what we want.

**President.** — The proceedings will now be suspended until 3 p.m.

The House will rise.

*(The sitting was suspended at 1 p.m. and resumed at 3.05 p.m.)*

IN THE CHAIR: MR COLOMBO

*Vice-President*

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

#### 8. Question Time

**President.** — The next item is the third part of Question Time (Doc. 142/79). We continue with the questions addressed to the Commission.

Since its author is absent, Question No 7 will receive a written reply.<sup>1</sup>

I call Question No 8, by Mr Howell:

Will the Commission report on the findings of the three-man team dispatched to London to investigate the alleged misuse of Community aid granted to East and South-East England following the floods of January 1978?

**Mr Tugendhat, Member of the Commission.** — Mr President, I am pleased to be able to inform the honourable Member that the Commission officials have now completed their mission to London to discuss the allocation and distribution of Community disaster aid for damage incurred in the early part of 1978: £ 190 000 of the £ 630 000 of Commission aid has been paid to farmers who have lost more than 10 % of their livestock, and the remaining Commission aid will go to those local authorities which suffer damage in excess of one penny in the pound of their rates. The authorities concerned are Cleethorpes, Lancaster, North Norfolk, Thanet, Devon and Somerset. Seventy-five per cent of the damage in excess of the one penny rate will be borne by the British Government and the Commission aid will contribute well over half of the remaining 25 %. The exact figures of the total cost are not known because of the time it has taken to prepare and improve the sea defences. Finally, I should like to add that although, we, the Commission, regret the delay in distributing the aid, we are satisfied, from information from the British authorities, that the money is being put to good use and is appreciated by the beneficiaries.

**Mr Howell.** — I think that is a most deplorable answer. Since when has Somerest been in the South or South-East of England? This money was given to the South and South-East of England and it has not been used in the way in which it was intended. That was the reason why the three-man mission went to London to find out what had happened to the money. Now it seems to me that the Commission has been thoroughly fobbed off by the late Socialist Government, and I suggest that they make a fresh approach to the new Conservative Government to see if a little more light can be thrown on this matter.

I would like to draw the Parliament's attention to just what has happened. This money was allocated for relief in the South and South-East of England, and 16 months later no money has been received anywhere in that area yet. I think that this totally destroys the object of emergency aid: the Commission should investigate this further and it should be reported to the Court of Auditors.

<sup>1</sup> See Annex.

**Mr Tugendhat.** — I can understand the strong feelings of my honourable friend, and I can recognize that Devon and Somerset certainly do not belong to the part of the country to which he referred. But as he will remember and as the House will remember other very serious storms occurred very soon after the events for which this aid was initially earmarked, and a further request was made to the Commission. Now the Commission felt it right in these circumstances to follow the judgement of the British Government that the aid should not be confined to one part of the country as more than one part of the country had suffered from the damage. It was felt right, therefore, that, as we have very limited funds at our disposal, there should be a more equitable distribution than seemed justified when it appeared that only one part of the country had been affected.

**President.** — I call Mr Howell on a point of order.

**Mr Howell.** — Mr President, the Commissioner referred to a subsequent disaster. I am complaining about the money being spent on a previous disaster.

**President.** — Mr Howell, I would point out that you have not raised a point of order but have gone into the subject in hand.

Since its author is absent, Question No 9 will receive a written reply.<sup>1</sup>

I call Question No 10, by Mr Osborn :

What has been the outcome of further discussions with Member Governments and industrial organizations representing the industries concerned about the need to restructure and modernize the special steel, tool steel, and cutlery industries to meet cheap competition from overseas, and provide adequate and effective protection from dumping from third countries?

**Mr Giolitti, Member of the Commission — (I)** I should like to thank the questioner on behalf of the Commission, for having given us the opportunity of explaining what we have done and are doing in this sector.

As regards special steels, the Commission is conducting talks with the authorities of the Member States and industrial organizations with a view to obtaining a clearer picture of economic developments. At the external level, special and fine steels are covered by agreements with some third countries. Furthermore, the vast majority of these steels are included on the list of products to which the system of basic import prices applies.

At the internal level, the departments of the Commission are currently carrying out a study, in close cooperation with the relevant industrial organizations, which should enable us to determine the structure of the production units and the demand prospects in the

medium and long term. This study, which should be completed around the middle of 1979, will provide us with indications of the type and extent of modernization and restructuring measures required in the special steels and tool steels sectors.

As regards cutlery, the Commission has established the necessary contacts with the relevant professional body, i.e. the European Cutlery Industry Federation, with a view to obtaining data regarding structure, productivity and prospects in this sector, as to determine the nature of the problems in a sector which must cope with increasing competition from certain third countries. The Commission does not as yet have this data at its disposal.

On the basis of this information, the Commission should be in a better position to assess whether there is in fact dumping by certain third countries such as Japan and, in particular, South Korea. If so, the Commission can apply the procedure provided for under Community law.

Finally, the Commission would remind you that other countries are importing vast quantities of cutlery from these countries. For example, United States imports have reached 75%. However, the United States Government has not decided that protectionist measures would be a valid and lasting solution, and the Commission shares this view. Furthermore, protectionist measures are not in keeping with the position which the Community wishes to adopt in international trade, nor do they, in the long term, constitute a safeguard for a sector which will only be able to survive if it continues to be imaginative and to maintain its technological and commercial dynamism. In view of the situation, the Commission will not hesitate to have recourse, if necessary, to the procedures provided for under Community law with a view to supporting this sector.

**Mr Osborn.** — Mr Giolitti should know that the cutlery and special steel industries are looking to the Community and the Commission as well as to the British Government not for protection but for support in restructuring the industries. To what extent has the Commission been supported by the recent Socialist Government to look after the interests of the free enterprise cutlery and silverware industry, and in particular the private sector of the steel industry involved in stainless steels?

Can he explain how it is that so many special steels fall outside the Treaty of Paris, and to what extent has the Commission been able to prevent dumping both indirectly and directly in this sector?

Lastly, is the Commissioner aware that one of the problems is that cheap blanks in the cutlery industry, mainly from Taiwan, Korea and elsewhere, are subsequently re-assembled in various Community

<sup>1</sup> See Annex.

**Osborn**

countries and sold in Britain as British made or made in Sheffield, and could he look at the Trades Description Act or its equivalent to ensure that we know what we are buying in the United Kingdom and other Community countries?

**Mr Giolitti.** — (I) The points just raised by the honourable Member have been taken into consideration in the study I mentioned which, as I said, should be completed towards the middle of 1979.

In this study the Commission has made use, and continues to make use, of information provided by the Member States, including, no doubt, the British Government. As I also pointed out, we are looking into the question of dumping. We have no precise information on this subject as yet, but, as I have already assured you, we will initiate the procedure provided for under Community law if this should prove necessary. The same is true in the case of the origin of products — a problem to which the honourable Member rightly drew our attention in his final remark. The Commission will certainly look into this matter too when the necessary data are available.

**Mr Corrie.** — Can the Commissioner say what attitude the British Government has taken to what he has just said?

**Mr Giolitti.** — (I) Mr President, we received the information we requested from the governments of all the Member States, and I do not think the British Government was an exception.

**President.** — I call Question No 11, by Mr Kavanagh:

What possibilities exist within the framework of Community policy for measures to allow for the development of bogland for agricultural purposes, does the Commission agree that afforestation is a particularly effective way of developing bog-land, and will it ensure that this aspect is studied carefully and included in any Community proposals on forestry policy?

**Mr Gundelach, Vice-President of the Commission.** — (DK) The question of how land of this kind, i. e. bogland etc., should be used is the subject of considerable debate in Ireland and other Member States. Some take the view that this land should be drained and, where possible, used as arable land. Others point out that this land provides us with a possibility of increasing our forestry resources, since there is a wood shortage. And then again there are those who think that these areas should be left as they are out of environmental considerations, since they often provide a habitat for wild animals and, not least, wild birds.

Pending further clarification, therefore, the Commission has not taken any decision regarding the approach we should take, nor regarding the specific proposals it intends to make in connection with this

kind of land. However, having said, this, I should like to point out that in the case of certain parts of the Community, such as the west of Ireland, land of this kind may well be included within the field of application of the directive concerning a programme designed to speed up drainage work in that area. This land might also be covered by the measures proposed by the Commission to the Council — and which the Council has received favourably — regarding the development of forestry, which form a part of the proposal regarding the development of agriculture in the west of Ireland. In both cases, however, a specific application is required, i. e. the Irish Government will have to submit a project which will be dealt with according to the normal procedures.

**Mr Kavanagh.** — Could the Commission say whether the Irish Government has made any application in any of the three areas that he has mentioned, — agriculture, forestry and environmental development — for aid from any of the agricultural funds?

**Mr Gundelach.** — (DK) — So far, no such applications have been made, but this is perhaps only to be expected in the case of forestry in these areas, as the Council has not yet given its formal approval, even if it has approved the proposal in principle. The first proposal is either still at the final stage, or has completed the final stage in the decision-making process only very recently, so there is no way of knowing to what extent these proposals will be used for the purposes you mentioned. However, I think it is very likely that an application will be made.

**President.** — Since their authors are absent, Question Nos 12 and 13 will receive written replies.<sup>1</sup>

I call Question No 14, by Mr Schyns:

Why do the authorization periods and fees for the transportation of timber differ so much from one Member State to another that the authorization procedure represents a real distortion of competition within the meaning of the Treaties of Rome? What can those concerned do to eliminate these obstacles without delay?

**Mr Tugendhat, Member of the Commission.** — The Commission is conscious of the problem raised by the honourable Member — a problem which arises in a wider context than that of exceptional movement of abnormal loads. The Commission has been looking at this question for some time. We have already had a meeting with independent experts and have scheduled a further meeting in the current month. It is our aim in this, as in other fields, to make the necessary proposals to eliminate distortions of competition and obstacles to trade caused by unnecessarily complex and divergent administrative procedures within the Community.

<sup>1</sup> See Annex.

**Mr Schyns.** — (*F*) Can the Commission take action against a Member State if it is clearly hindering free trade in this field? Belgian transport companies, for instance, have to pay a fee of DM 450 every six months in order to be able to transport timber into the Federal Republic of Germany, and no one can deny that this is a case of discrimination. What does the Commission intend to do in order to put an end to discrimination of this kind?

**Mr Tugendhat.** — We are certainly looking into the problems, as I have mentioned, with the study that we are undertaking. I must, however, confess — and I think this will not be the last time that a Commissioner says in this Parliament what I am about to say — that our ability to conduct reviews of this sort and our ability to undertake the action that is required is very severely limited by the shortages of staff which we have and which have, of course, been accentuated by the misadventures of the recent budget. There is no point in the honourable Member shrugging his shoulders, one cannot conduct a review if one has not got the people to conduct it.

**Mr Shaw.** — Is it not a fact that there are many factors that influence transport costs and that this is one of them? It may, perhaps, be a particularly acute example, but there are all sorts of other cases that occur for reasons of taxation policy etc., and I personally would ask whether it is not very difficult to deal with one problem in isolation and not look at the others at the same time?

**Mr Tugendhat.** — I certainly believe that there is more than one factor that enters into variations in transport costs — different prices of fuel, road systems and all the rest of it. But certainly where an allegation is made of discriminatory practices or if there is a belief on the part of one Member State or of interests within one Member State that discriminatory practices exist, well then, clearly the Commission is obliged, and would wish to feel obliged, to do its best to maintain as far as it can freedom of movement of goods within the Community.

**Mr Corrie.** — Would the Commission agree that one of the main additional costs imposed on areas like Scotland comes from the new tachometer rules? We have to travel long distances over very bad roads. We now have to put two drivers onto a wagon where only one was required before, because of the Commission rules. Is this not unfair, particularly in the timber industry, where we have to transport timber from the north to the south of Scotland?

**Mr Tugendhat.** — I cannot agree with the honourable Member. I believe that the Community — and I emphasize the word Community as distinct from Commission — rule on tachographs is thoroughly desirable, because it helps to reduce accidents and is

good for safety. I am pleased to say the unions and those who are concerned with the transportation business in a number of continental countries have understood the safety aspect of this measure, as indeed have many people in our own country. Apart from being good for safety, it also ensures that there cannot be exploitation of the drivers and that the machines themselves cannot be used to an excessive degree without the appropriate examinations.

**President.** — I call Question No 15, by Mr Dondelinger, for whom Mr Hughes is deputizing:

Is the Commission following the serious problems raised by the major redundancies affecting staff at the Monsanto factory in the Grand-Duchy of Luxembourg? What contribution can the Community organs make to resolving these problems and what measures are planned at European level in order to avoid similar situations in the future?

**Mr Tugendhat, Member of the Commission.** — The Commission has been informed that Monsanto is taking important decisions regarding the future of its factory in Luxembourg and, as reported in today's papers, elsewhere in Europe as well. Like other synthetic fibre production units, the company is faced with the problems of an industry with excess capacity. The Commission has placed before the Council a proposal for a regulation on reorganization and redevelopment operations in connection with certain industrial sectors, and has specified that the synthetic fibre industry is, in its view, one of the sectors concerned. Appropriations exist in the budget to provide the necessary funds once the way ahead is clear. The Social and Regional Funds also have a rôle in helping to deal with these problems.

**Mr Hughes.** — I hope the House will accept that, when my colleague Mr Dondelinger put this question down, he did not realize that it would be taken on the very day when yet further closures were announced in the United Kingdom.

Firstly, how can the Commissioner justify to the constituents voting in the European election that in the area where one-fifth of the losses accrue, two-thirds of the jobs are lost? How does this square? On their own figures, Monsanto lost 8 million in their United Kingdom operation and 32 million in Luxembourg. Yet two-thirds of the jobs are being lost in the United Kingdom, including 560 in my own part of the world, Crook and St. Helens-Auckland, and 900 in Scotland. Secondly, what powers, even under the proposals, would the Commission have to examine this method of procedure of many multinationals? Thirdly, how quickly could the resources from the Social and Regional Funds be made available to help? Because, if I may take the Crook and St. Helens-Auckland case, this is in an area where already male unemployment is well into the ten-thousands.

**Mr Tugendhat.** — I appreciate the concern of the honourable gentleman about the job losses in his constituency, as well as those which have occurred elsewhere in the United Kingdom. The questions which he put, however, about how could they be justified in the light of the pattern of the company's interests should, I feel with great respect, be put to the company rather than to us; and no doubt they will be. The speed with which the payments can be made does, as he knows, depend in very large part on the speed with which the requests come forward from the Member States. I hope very much that the Commission will not be found wanting in the speed of its response, but that depends in large part on when the claims come in.

**Mr Hamilton.** — In view of the fact that 900 jobs are to be lost in Scotland by this operation, does the Commissioner not agree that there must be more public and social accountability for these multinational firms? Would the Commission also agree that it underlines the need for a much bigger Regional Fund to cater for these problems? Thirdly, will the Commission be more aggressive in its approach to these multinationals, more particularly in view of the new government's view in Britain that these industries must be written off as lame ducks in need of shooting? In view of that desperate, reactionary view of the matter, would he not agree to take more energetic action to protect workers from the depredations of these multinationals?

**Mr Tugendhat.** — I have been interested in the question of multinationals for a very long time, but I don't feel that this problem is peculiar to the multinationals. One only has to look at what is happening in Lorraine, for instance, as well as in other parts of the Community, to see that lay-offs, redundancies and closures can occur in the private sector and in the public sector, in nationally-owned companies and in internationally- or multinationally-owned companies. They are the result of the economic circumstances, the recession in which we find ourselves; I think one has to approach it from that point of view. This is the difficulty.

In my own view, if jobs are to be guaranteed in the Community over a period of time, it is very important to make sure that we secure the adaptability and competitiveness of our industries in all parts of the Community. That is the surest way of providing a higher level of employment in the long term. One only has to look at those Member States which have pursued that sort of policy, as compared with those which haven't, to see the truth of that. I notice that the unions have already taken this matter up with the Secretary of State for Scotland. I have no doubt that he will be in contact with us if, as I hope and believe, there is action that can be taken at Community level.

**Mr Corrie.** — Would the Commissioner accept that the loss of the 900 jobs at Monsanto in Scotland might only be the tip of the iceberg; that other companies who provide the raw materials for Monsanto, such as ICI, will now be in trouble as well? Will the Commission make a study of the ripple effect that this will have?

**Mr Tugendhat.** — I am not an expert on the synthetic fibres industry, but I agree that when one big company runs into troubles of this sort, there are often ripple effects. As I say, I am not an expert on the industry and I would not like to comment on what, if any, these effects might be on this occasion.

**Mrs Dunwoody.** — Is the Commissioner aware that his rather smug attitude, to the effect that this can be taken up with the multinationals, contrasts very strongly with the attitude of this Parliament, which has for a long time been asking for real application of the rules of competition in relation to multinationals? Is he aware that in Luxembourg alone the job loss will be absolutely disastrous, in an area where people have already got considerable problems with other multinational companies? What practical effort is he going to make to safeguard the jobs of those people?

**Mr Tugendhat.** — I am sorry that the honourable lady should find my answer smug, because what I was trying to say, and I will say it again, is that I think that if one concentrated only on the job losses that arose from multinationals, one would be focussing on only a small part of the problem. We are in a recession, and jobs can be lost in state-owned as well as in multinationally-owned companies. I drew attention to what has been happening in France as an example of this. We therefore need measures covering a wider area. The Commission, certainly, applies the rules of competition to the multinational companies as well as to others, and with the same severity. I would also point out to the honourable lady that in this industry, as in others, turn-rounds can occur with surprising speed: one only has to look at what has happened in the synthetic fibre industry in Italy in the last year to see the speed with which turn-rounds can occur.

**Lord Murray of Gravesend.** — Does the Commissioner know that we have just fought a general election in Britain where one of the parrot cries was, 'the unions are running the country'? Does he not think that that applies more to the multinationals, not only in Britain, but in Europe?

**Mr Tugendhat.** — I would have thought one thing, if I may say so with great respect to the honourable gentleman, that general elections show, is that it is the people who run countries.

*(Mixed reactions)*

**President.** — Since its author is absent Question No 16 will receive a written reply.<sup>1</sup>

I call Question No 17, by Lord Bessborough for whom Mr Osborn is deputizing:

In what way has the Commission's attitude to the Government of Zimbabwe-Rhodesia altered, taking account of the national multi-racial elections held in April, and the consequent establishment of black majority rule, with a black president, black prime minister and mainly black government?

**Mr Giolitti, Member of the Commission.** — (I) The Commission has no relations with the Government of Zimbabwe-Rhodesia.

**Mr Osborn.** — I for one, and certainly Lord St. Oswald, who witnessed the recent elections in Zimbabwe-Rhodesia, will regret this reply. What I would like to know is to what extent the telegram sent by Mr Cheysson to Mr Nkomo is Community policy, in which he said: 'On European Community Commission behalf, and in my personal name, I should like to express the esteem we feel for your struggle.' The Commission should know that in 1965 a British Socialist government chose confrontation with Mr Ian Smith, and has misled the United Nations and the Western world in the search for racial harmony in Southern Africa and Rhodesia ever since. Elected representatives are singularly lacking in ACP-EEC joint meetings. Is the Commission, on behalf of the Community, yet prepared to acknowledge and welcome the internal settlement in Rhodesia, now called Zimbabwe, as a move which will achieve racial harmony and consolidate democracy in Southern Africa?

*(Protests from the left)*

**Mr Giolitti.** — (I) I repeat that the Commission as such has no relations with the Government of Rhodesia-Zimbabwe. The telegram to which the honourable Member refers was sent on the personal initiative of Mr Cheysson during a period when the Commission was on holiday, so that Mr Cheysson was not able to consult his colleagues before sending it. For the rest, it is normal for the Members of the Commission to express their opinions on matters for which they are competent.

**Mrs Dunwoody.** — Would the Commissioner be kind enough to convey our congratulations to Mr Cheysson on demonstrating an absolutely sensible approach to an election which was manifestly rigged to ensure white domination for the next 25 years, and will you please point out to the Commission that it will not be in the interests of any democrats to accept a system where the partial government is pretending to represent the majority of the African people?

<sup>1</sup> See Annex.

**Mr Giolitti.** — (I) I think it would be a perfectly simple matter for the honourable Member to inform Mr Cheysson of her opinion directly herself.

**Mr Howell.** — Mr President, can I ask the Commissioner to disassociate the Commission from the telegram sent by Mr Cheysson, because it was sent in the name of the whole Commission, including the Commissioners present? Would the Commissioner disassociate the Commission from that telegram, and also censure Mr Cheysson for acting in the way that he has?

*(Protests from the left)*

**Mr Giolitti.** — (I) I have explained the circumstances under which this telegram was sent. I can also point out that the reference to the Commission in this telegram was due to a misunderstanding.

*(Cries from the left)*

**Mr Hamilton.** — Would the Commissioner agree that if the Community recognizes the new Zimbabwe-Rhodesian Government, that would have disastrous effects on the relationship between Europe and the whole of the rest of Africa, and not least with the oil-producing country of Nigeria, and will he very much bear those considerations in mind? Irrespective of the virtue of that telegram, could I say to him that this side of this Assembly whole-heartedly applauds Mr Cheysson for the action that he took?

**Mr Giolitti.** — (I) The question of political relations between the Community and the Government of Zimbabwe-Rhodesia is a matter for political cooperation and will be discussed in that context.

**Mr Dankert.** — (NL) I should also like to put a question regarding this famous telegram. Mr Giolitti has just said that the Members of the Commission are entitled to make statements on matters within their competence. Is the Commission also competent to make statements regarding problems of foreign policy?

**Mr Giolitti.** — (I) I can only repeat what I have just said, namely that this a matter for political cooperation and will therefore be dealt with in that context.

**Mr Christensen.** — (DK) As I understand it, the answer the Commissioner has just given means that he still maintains that the Commission is entitled to make political statements. I will not go into the right and wrongs of this telegram of support, but I should like to ask to what extent Mr Cheysson was politically competent to send it? That is what interests me. This is a political matter in which, as far as I know, the Commission has no right to get involved. For this reason, I should be grateful if the Commission would



**Christensen**

stop being evasive and give us a straight answer to the question put by Mr Dankert a few moments ago.

**Mr Giolitti.** — (I) The Commission is a political body and as such also expresses political views. In this particular case the position was adopted by an individual member of the Commission. As I said, he had reason to express his views on this matter.

**Mr Fellermaier.** — (D) The longer one listens the more interesting the Commission's definition of its competency in matters of foreign policy becomes. I have hitherto regarded the Commission as a collegiate body and for this reason I should like to ask whether it is collectively competent in matters of foreign policy or whether it is up to the individual Commissioner to decide, as he personally thinks fit, if and when and for what purpose telegrams on matters of foreign policy should be sent?

*(Scattered applause from the left)*

**Mr Giolitti.** — (I) In view of the delicacy and political implications of this question I have explained that it is really a matter for political cooperation.

**Mr Broeksz.** — (NL) Is the Commissioner aware of the fact that it is Mr Cheysson who is responsible for relations with all the Lomé countries? Does he realize that the Consultative Assembly on which the Commission was represented adopted a very clear position on this matter? Is it not therefore natural that Mr Cheysson, who is the person most directly responsible for this matter, should send a telegram of this kind, since I am not clear as to whether the Commissioner is dissociating himself from this telegram or not? If so, we should like to know how the Commission actually stands *vis-à-vis* the Consultative Assembly of the Lomé Convention.

*(Applause from certain quarters on the left)*

**Mr Giolitti.** — (I) I do not think this is the place for me to be asked to state my personal opinions.

I have explained, in the terms which the Commission felt necessary, the circumstances under which this telegram was sent by Mr Cheysson and I also pointed out that this was a perfectly normal thing to do in accordance with a tradition which is by now fairly firmly established within the Commission.

**Lord Ardwick.** — Is it not a fact that there is broad agreement under the aegis of political cooperation on the affairs of Southern-Africa and that this agreement is in accord with Anglo-American policy? Is it not unwise, therefore, before the new Foreign Secretary has had time to express himself on this very delicate issue, and particularly on Rhodesia, for his compatriots to commit him to some kind of abrupt change?

**Mr Giolitti.** — (I) I cannot comment on that.

**Mr de la Malène.** — (F) I think it is vital that this matter be clarified to some extent.

Was the Commission informed by Mr Cheysson of this telegram before it was sent? If so, did it give its approval? If not, does it go along with it nevertheless?

**Mr Giolitti.** — (I) I repeat that the Commission was not informed, since Mr Cheysson sent this telegram during a holiday period. The Commission was not asked for its approval, and for this reason I have no authority to express an opinion on the matter which would commit the Commission as a whole.

*(Cries from the left)*

**Mr Spénale.** — (F) How does the Commission reconcile the collegiate nature of its political responsibility with the liberty of its individual members to make any political statement they wish? Has it ever really considered this question?

**Mr Giolitti.** — (I) Mr Spénale has undoubtedly brought up a problem which is extremely delicate, as the Commission and I myself realize. However, as I pointed out, there is a tradition whereby the members of the Commission can express their individual opinions, including political opinions, as in the present case.

**President.** — (I) Mr Spénale, things like this happen in the best of families.

Question Time is closed.

I call Mr Fellermaier for a procedural motion.

**Mr Fellermaier.** — (D) Mr President, I should like to request a topical debate. The Commission's answers were so incomplete, self-contradictory and, in the case of Mr de la Malène's question, so meaningless that we cannot leave this matter hanging in the air where such a serious question of foreign policy is involved. We must have a topical debate to obtain more information from the Commission. I should therefore like to request this on behalf of my Group, and I am certain that there are others in this House who would also be glad if this matter could be clarified, as this unfortunately did not prove possible during Question Time.

**President.** — Paragraph 3 of Rule 47B of our Rules of Procedure states that:

The decision as to whether to hold a debate on request shall be taken by the President only at the close of Question Time and shall not be subject to debate.

The agenda is so full that it will be difficult to deal with all the items, which means that it is impossible to include an additional item. For this reason, I have decided by virtue of the powers conferred upon me by the Rules of Procedure to reject your request for a topical debate.

## 9. Votes

**President.** — The next item is the vote on the motions for resolutions contained in the reports on which the debate is closed.

We begin with the motion for a resolution contained in the *Ripamonti report (Doc. 185/79): Supplementary draft estimates for 1979.*

I call Mr Dankert on a point of order.

**Mr Dankert.** — (NL) Mr President, I said during this morning's debate that the supplementary budget for 1979 and the draft estimates for 1980 were closely related.

We are now going to vote on the draft estimates for 1980, while tomorrow we shall be voting on the supplementary budget for 1979. I do not think there is any justification for this in view of the consequences that might arise for the new Parliament, especially as regards the 188 posts.

Consequently, I propose that the draft estimates for 1980 be put to the vote tomorrow morning, after the vote on the supplementary budget for 1979.

**President.** — Mr Dankert, we shall consider first the supplementary budget No 2 for 1979 and then the estimates for 1980. In this way, the first vote will help clarify the second.

**Mr Dankert.** — (NL) Mr President, I feel it is extremely difficult to vote on the supplementary budget for 1979 before we have heard the Council's reply.

At the moment we do not know what that reply will be. I feel it would be better to put off the vote until tomorrow or, at any rate, until we have been informed of the Council reply. We can then vote on the draft estimates for 1980.

**President.** I call Mr Ripamonti.

**Mr Ripamonti, rapporteur.** — (I) Mr President, in my view Parliament does not need to know the Council's opinion before adopting the draft supplementary budget for 1979. Our decision on this matter, taken in the light of the decision by the Committee on Budgets, is completely free. The result of our vote will be considered by the Council, which will inform us of its decision. This is a second stage in the budget procedure, as I explained this morning when I presented the report to the House.

**President.** — I call Mr Dankert.

**Mr Dankert.** — (NL) Mr President, the motion for a resolution on the supplementary budget for 1979 states that the Council does not intend going back on the 1970 declaration, which recognizes the power of the European Parliament over its own budget.

I have not been made aware of any clear Council view until now, and I cannot vote until I know what the

Council thinks. If I do not know what the Council view is, I must abstain from voting.

**President.** — Parliament's decision is freely taken on the basis of a decision by the Committee on Budgets, and following certain considerations by the Bureau of Parliament.

**Mr Dankert.** — (NL) That may be so, Mr President, but I am sitting here as a Member of this Parliament and not as a member of the Committee on Budgets — where, as a matter of fact, I also abstained from voting.

I am being asked to approve a recital in this motion for a resolution on the supplementary budget for 1979 where it says that the view of the Council is that the 1970 agreement will be left as it is.

I have heard nothing to this effect from the Council. If this Parliament is going to express an opinion without having heard from the Council, I am afraid I shall have to abstain from voting. I shall vote only if the Council says that it has no intention of changing anything. That is why I am doubtful, and I do not think we can vote in these circumstances.

**President.** — Mr Dankert, I sought to clarify the situation somewhat but I have no intention of influencing your vote.

I call Mr Klepsch.

**Mr Klepsch.** — (D) In my view, there is a very slight error of logic in what you said, Mr Dankert. If we assume that the Council is not querying this position, there is no need for it to declare that it agrees with us. Only if it did not agree would there be any need for some statement. It would be duty bound to inform us. I am waiting to see whether this happens. However, it has been clearly established that we are assuming that there is to be no change in the situation, and you are insisting a bit too much on doing things by the book, because we cannot keep on asking the Council to repeat the same statements it has already made. We should simply be saying that we are making this assumption and if the Council disagrees with us, it ought to tell us so.

**President.** — I call Mr Spénale.

**Mr Spénale.** — (F) Mr President, if we are going to understand the present situation, I think we ought to recapitulate. First of all, this part-session is the last of the present Parliament. We have to bequeath to the new Parliament the means of getting on with its work by enabling it to recruit new staff, in accordance with the estimates drawn up by the Committee on Budgets in the Ripamonti report. We can do this during the current part-session only if we are in a position to vote tomorrow morning, which means that the

## Spénale

Council and the Commission must get these estimates and we must have the Council's reply by tomorrow morning.

If we attempt to change the order of things, we shall achieve nothing. Moreover, this would be the first time that Parliament's vote on its own budget depended on getting prior approval from the Council. We were the ones who instigated matters after consultations with the Council. Tomorrow, when we get round to voting, we shall see if the Ripamonti report needs any alteration and if the motion for a resolution put before the House is suitable. We have been told that the Council agrees to let the procedure outlined in the statement of 22 April 1970 remain in force where Parliament's independence with regard to its own budget is concerned. If we do not do our job now and point out that we are waiting for the Council to approve something which has not yet been submitted to it, we may find that the Council, too, intends to take its time. I can see no way out of this situation. There is very little time left and the only thing we can do is vote on this motion for a resolution tomorrow after debating it today. In spite of all the discussion and wrangling that may occur within the Bureau or in the Committee on Budgets, you cannot ask someone to approve something he has not seen. We have to vote on the findings of the Committee on Budgets, so that there is a chance to conclude the matter tomorrow.

**President.** — I call Mr Dankert.

**Mr Dankert.** — *(NL)* Mr President, Mr Spénale is of course right as regards the supplementary budget for 1979, and I do not deny it. But in the motion for a resolution on the supplementary budget there is a clause which is fundamental to what is contained in the 1980 estimates, namely that there is no indication that the Council intends to interfere in drawing up the 1980 budget. If I can be sure of this — and this is what I am asking — there is no problem with the draft estimates for 1980, which include the 188 posts. If what the motion for a resolution says is not true — and it says that the Council does not intend going back on the 1970 declaration — the vote we are going to take will place the new Parliament in a situation whereby the Council might delete the 188 blocked posts. The new Parliament would thus begin its existence by arguing with the Council. I find this extremely undesirable. We have to realize the political repercussions of such a move and we can perfectly well express it all in the second preamble, but as a Member of this Parliament I have no desire to create difficulties for the new Parliament. The new Parliament will have every opportunity of introducing the 188 posts itself if it wants to — that will be no problem — but if we do this and create difficulties, I feel that, to put it mildly, we shall be acting unconstitutionally.

**Mr President.** — I call Mr Mitchell.

**Mr Mitchell.** — I am getting more and more confused, Mr President; perhaps you could help me. Do I understand that we are being asked to vote now on Doc. 185/79? If we are, Mr President, as this document is dated 10 May, what opportunity has been given to backbench Members of this Parliament to move amendments to this motion?

**President.** — The document was adopted by the Committee on Budgets this morning. Amendments could be tabled at any time thereafter, but this was not done. Consequently, there is no reason why the vote should not take place.

I call Mr Spénale.

**Mr Spénale.** — *(F)* Mr President, I am sorry if this debate is dragging on, but I feel that a number of Members need to be reminded of the procedure in this case. We are considering something which Parliament has already voted on, namely, a supplementary budget regarding 117 posts for which staff could be recruited immediately, as soon as this budget had been finally approved, and 188 posts which are to remain blocked. It is clear that these 188 posts cannot be filled before December 1979 or January 1980, because of recruiting procedures. Consequently, we decided to include these 188 posts, for which there is no urgent need, in the 1980 budget and to keep the others in the 1979 budget. The breakdown is different but the basic situation is the same. Parliament has already voted unanimously on these expenses. What we are doing is splitting them between the supplementary budget No 2 for 1979 and the initial budget for 1980. This was why there was no need to table the usual large number of amendments.

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — *(NL)* Mr President, I endorse what was said by you and by Mr Spénale. I also share Mr Dankert's concern about the 1980 budget. I admit, I said this morning that it is a bit risky, but does Mr Dankert believe that the Council is going to provide a clear answer tomorrow? Has the Presidency in recent months ever given a clear answer. In recent months we have had more and more and more evasive answers, and I am quite sure that we are going to get a similar answer tomorrow. There is still a risk but I think we ought to take it and vote now.

**President.** — I call Mr Mitchell.

**Mr Mitchell.** — I am sorry to push this, but I think this is very important for the rights of backbench Members of this Parliament. What goes on in your enlarged Bureau with the leaders is one matter; what happens to us is another.

**Mitchell**

Three questions: at what time was this document printed and circulated? Second question: what was the latest time for the receipt of amendments? And third question: if there was no time for the receipt of amendments, are you still prepared to take them now in manuscript form?

**President.** — The document was approved by the Committee on Budgets this morning. Naturally, the deadline for amendments expired when it was distributed, i.e. this morning.

I call Mr Mitchell.

**Mr Mitchell.** — At what time was this document circulated this morning? I know when the Committee on Budgets finished. It had to be circulated after that. At what time was it circulated?

**President.** — At 11 a.m.

I put the motion for a resolution to the vote.

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

I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Following your vote, Mr President, and in the light of the fact that it establishes a new preliminary estimate for a supplementary budget, I should like to say on behalf of the Commission that we shall immediately, by which I mean this afternoon, fulfil our task of transmitting this to the Council as a preliminary draft supplementary budget.

**President.** — I have been informed that the Council will consider this draft budget as soon as it has been received from the Commission.

If the Council decision is communicated during the evening, we shall vote on the draft supplementary budget No 2 during tomorrow's sitting and thus complete the budgetary procedure, following approval of the estimates by the Council.

In these circumstances, the deadline for tabling amendments will be set at 8.30 tomorrow morning so that the Committee on Budgets will have the opportunity to consider them. If everything goes according to plan, the vote will take place at 10.30 a.m. tomorrow.

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**President.** — I now put to the vote the motion for a resolution contained in the *Ripamonti report (Doc. 176/79): Draft estimates of Parliament for 1980.*

I call Mr Dankert on a point of order.

**Mr Dankert.** — Mr President, I should like to propose voting item by item in order to enable at least some Members of my group to vote against the paragraph containing the 188 blocked posts.

**President.** — We shall vote on paragraph 1 subparagraph by subparagraph.

I put the preamble to the vote.

The preamble is adopted.

I put to the vote subparagraph (a) of paragraph 1.

Subparagraph a) of paragraph 1 is adopted.

I put to the vote subparagraph (b) of paragraph 1.

Subparagraph (b) of paragraph 1 is adopted.

I put to the vote subparagraph (c) of paragraph 1.

Subparagraph (c) of paragraph 1 is adopted.

I put to the vote subparagraph (d) of paragraph 1.

Subparagraph (d) of paragraph 1 is adopted.

I put to the vote subparagraph (e) of paragraph 1.

Subparagraph (e) of paragraph 1 is adopted.

I put paragraphs 2 to 7 to the vote.

Paragraphs 2 to 7 are adopted.

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

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

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**President.** — We shall now consider the *motion for a resolution (Doc. 166/79) by Mr Bertrand and others: Employment policy.*

I put to the vote the preamble and paragraph 1.

The preamble and paragraph 1 are adopted.

After paragraph 1, Mr Albers has tabled Amendment No 1 seeking to insert five new paragraphs:

- 1a Insists that a significant effort be made to create new jobs and, more particularly, that demand be increased; that industrial, regional and vocational training policies be developed both at national and Community level; that jobs be created by developing the service sector, and specifically those services needed to satisfy the basic requirements of the working and retired men and women of our Community (improvement of medical facilities, education, the environment and housing);
- 1b Considers that investment in each major economic sector is guided by development plans and that an investment notification system should be introduced at both national and Community level and that coherence should be ensured;
- 1c Feels that the granting of government aid to private enterprise should be conditional upon the preservation and the creation of jobs and compliance with the procedure outlined above;

<sup>1</sup> OJ C 140 of 5. 6. 1979.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President**

- 1d Stresses that national and Community policies to promote employment form part of the search for a new international economic order and international division of labour, which will in the immediate future enable the developing countries to progress in parallel with the industrialized countries, and at the same time demonstrate the Community's resolve to give the unemployment problem the priority it deserves ;
- 1e Demands that the Community be provided with an economic and social policy capable of solving the unemployment problem, responsibility for adopting the necessary measures lying with the Council and the Governments of the Member States.

I call Mr Bertrand.

**Mr Bertrand, rapporteur.**— (NL) Mr President, I can accept paragraph 1(a), and also paragraphs 1(c) to 1(e). But I cannot accept paragraph 1(b), because according to this paragraph an investment notification system should be introduced at both national and Community level and coherence should be ensured. We find this unacceptable because of the risks where competition is concerned. This is likely to bring more disadvantages than advantages in the creation of new jobs. While we approve of the other paragraphs, I ask the House to reject paragraph 1(b).

**President.** — I call Mr Albers.

**Mr Albers.** — (NL) In view of Mr Bertrand's comment, I withdraw paragraph 1(b). There will be no need for the House to vote on it.

**President.** — I note the withdrawal of paragraph 1 (b) of Amendment No 1.

I put to the vote Amendment No 1, thus amended. Amendment No 1, thus amended, is adopted.

I put paragraphs 2 to 7 to the vote.

Paragraphs 2 to 7 are adopted.

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

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

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**President.** — We now consider the motion for a resolution contained in the *Pintat report (Doc. 42/79): Enlargement of the Community.*

I put to the vote the preamble and paragraphs 1 to 12.

The preamble and paragraphs 1 to 12 are adopted.

After paragraph 12, I have Amendments Nos 1, 2 and 3, tabled by Mr Dankert on behalf of the Committee on Budgets, seeking to insert three new paragraphs :

- 12 a Wants to be informed on the likely problems in terms of efficiency and operational costs in the management of the institutions ; asks the Commission to calculate the costs for the institutions of working in extra Community languages ;
- 12 b Asks the Commission to submit proposal immediately for the implementing of the special enlargement reserve, proposed by the European Parliament, so that aid can quickly be provided to the regions most disadvantaged of the applicant countries ;
- 12 c Asks the Commission to give serious attention to the final consequences for the countries connected with the Community by Association Agreements and to make appropriate proposals to provide compensating arrangements for these countries.

What is Mr Bertrand's position ?

**Mr Bertrand, deputy rapporteur.** — (NL) On behalf of the Committee, Mr President, I ask the House to reject Amendment No 1. We cannot accept Amendment No 2 either, but we are ready to accept Amendment No 3.

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

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put paragraphs 13 to 19 to the vote.

Paragraphs 13 to 19 are adopted.

On paragraph 20, I have three amendments :

— Amendment No 5, tabled by Mr Ansquer and Mr Inchauspé on behalf of the Group of European Progressive Democrats, seeking to reword the paragraph as follows :

Requests that prior to any enlargement the organization of the market in Mediterranean products be strengthened in accordance with the principles of the common agricultural policy ;

— Amendment No 6, tabled by Mr Tolman on behalf of the Christian-Democratic Group (EPP), seeking to delete the word *costly* ;

— Amendment No 7, tabled by Mr Tolman on behalf of the Christian-Democratic Group (EPP), seeking to reword the second indent as follows :

speedy application of the Community regulations on mountain and hill farmers.

What is Mr Bertrand's position ?

**Mr Bertrand, deputy rapporteur.** — (NL) Mr President, we are against Amendment No 5 but for Amendments Nos 6 and 7.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President.** — I put Amendment No 5 to the vote.

Amendment No 5 is rejected.

I put Amendment No 6 to the vote.

Amendment No 6 is rejected.

I put Amendment No 7 to the vote.

Amendment No 7 is rejected.

I put paragraph 20 to the vote.

Paragraph 20 is adopted.

I put paragraphs 21 to 43 to the vote.

Paragraphs 21 to 43 are adopted.

After paragraph 43, I have Amendment No 4, tabled by Mr Dankert on behalf of the Committee on Budgets, seeking to insert the following new heading and paragraphs :

As regards the consultation of Parliament on the negotiation and conclusion of accession agreements and other international agreements

43 a Believes that Parliament must be more directly and closely associated with the negotiation and conclusion of accession agreements and international agreements made by the Community ;

43 b Believes that Parliament must be provided with fuller information during the course of these negotiations ;

43 c Therefore instructs, for the future, the rapporteurs of the committee responsible and the Committee on Budgets to obtain this information, officially, on behalf of Parliament ;

43 d Suggests that they obtain the information

(a) from the Commission, and

(b) by participating, as observers, in the principal meetings of the negotiating bodies.

What is Mr Bertrand's position ?

**Mr Bertrand, deputy rapporteur.** — (NL) We can accept paragraph 43 (a), Mr President, but not the other three new paragraphs.

**President.** — I put paragraph 43 (a) to the vote.

Paragraph 43 (a) is adopted.

I put paragraphs 43 (b) to 43 (d) to the vote.

Paragraphs 43 (b) to 43 (d) are adopted.

I put paragraph 44 to the vote.

Paragraph 44 is adopted.

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

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

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**President.** — I put to the vote the motion for a resolution contained in the *Zagari report (Doc. 132/79): Human rights in Ethiopia.*

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

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**President.** — We now consider the motion for a resolution contained in the *Flämig report (Doc. 54/79): JRC multiannual programme 1980-1983.*

I put to the vote the preamble and paragraphs 1 to 9.

The preamble and paragraphs 1 to 9 are adopted.

After paragraph 9, I have Amendment No 1, tabled by Lord Bessborough on behalf of the Committee on Budgets, seeking to insert the following new paragraph :

Approves the recruitment of these temporary additional staff on the assurance that

(a) these new posts represent a transitional measure which will have the effect of replacing permanent posts by temporary personnel on contracts of limited duration, and

(b) the officials aged over 60 years who retire will not be taken back on temporary contracts.

What is Mr Flämig's position ?

**Mr Flämig, rapporteur.** — (D) I recommend adoption.

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

I put paragraphs 10 to 15 to the vote.

Paragraphs 10 to 15 are adopted.

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

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

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**President.** — We now consider the motion for a resolution contained in the *Flämig report (Doc. 74/79): Communication on cooperation with developing countries in the field of energy.*

I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, on behalf of Mr Dewulf I should like to withdraw the two amendments which he tabled.

**President.** — I note that Amendments Nos 1 and 2 have been withdrawn.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President**

I put to the vote the motion for a resolution.

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

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**President.** — We now consider the motion for a resolution contained in the *Brown report (Doc. 19/79): Electricity production*.

I call Mr Albers for an explanation of vote.

**Mr Albers.** — (NL) In my view, Mr President, this is an excellent report which lists a series of measures which have already been taken internationally to research and implement alternative means of energy production by way of wind, wave and tidal power. I go along with the rapporteur on all this and can accept the first eight paragraphs of the motion for a resolution. However, I disagree entirely with paragraphs 9, 10 and 11, where the rapporteur says that the European Community should not finance research and development work on these alternative energy sources. I ask you to put paragraphs 9, 10 and 11 to the vote separately.

**President.** — I put to the vote the preamble and paragraphs 1 to 8.

The preamble and paragraphs 1 to 8 are adopted.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

I put paragraphs 10 to 12 to the vote.

Paragraphs 10 to 12 are adopted.

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

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

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**President.** — I put to the vote the motion for a resolution contained in the *Flämig report (Doc. 96/79): Energy situation in the Community*.

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

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**President.** — We now consider the *Luster report (Doc. 178/79): Amendment of the Rules of Procedure of Parliament*.

In view of certain requirements, I feel it would be better if we postponed this vote.

I call Mr Cunningham on a point of order.

**Mr Cunningham.** — Could you just explain what you had in mind there, Mr President? Is there any reason why we should not proceed to vote on Mr Luster's motion for a resolution and the amendment that I have tabled?

**President.** — There is a quite definite reason, which you will understand as the vote proceeds.

In accordance with Rule 54(2) of the Rules of Procedure, all motions for resolutions seeking to amend these Rules require for adoption the votes of the majority of the Members of this Parliament, i.e. 100 votes.

We shall now vote on this motion for a resolution.

On Rule 7(a), Mr Patijn, Mr Hamilton and Mr Cunningham have tabled Amendment No 2 seeking to delete this rule.

What is Mr Klepsch's position?

**Mr Klepsch, deputy rapporteur.** — (D) Mr President, the rapporteur, Mr Luster, asked me to stand in for him if voting was to go on as late as this. I am to reject the amendment on his behalf.

**President.** — I call Mr Patijn.

**Mr Patijn.** — (NL) Mr President, I expected this from the deputy rapporteur. There is one thing I want to say as co-author of the amendment: this is exactly the sort of thing that the new Parliament will have to decide and there is no need for the present Parliament to take a decision on it.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) If an explanation is due, Mr President, I can say only why the rapporteur rejected the amendment. This motion was contained in the Luster report and was a joint motion by all six groups in the House ...

*Interruption:* (F) Not by the groups but by the chairmen of the groups!

**Mr Klepsch.** — (D) ... I can do nothing if the chairman of the Socialist Group tells me he can sign on behalf of his group; I assume that, as with all the other groups he is entitled to do so. Wherever would we get to otherwise in this Parliament? At any rate, this was the basis on which the Committee on the Rules of Procedure and Petitions made its decision.

This was a motion tabled by all six groups, since it was felt that arrangements had to be made if the office of quaestor were to be introduced on the day that Parliament was constituted. For this reason, the rapporteur recommends rejection of the amendment.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President.** — I put Amendment No 2 to the vote. Amendment No 2 has not received 100 votes, nor will any other amendment. It was for this reason that I proposed to defer the vote.

Amendment No 2 is not adopted.

On Rule 36(5) of the Rules of Procedure, Mr Cunningham has tabled Amendment No 1 seeking to reword the paragraph as follows :

A group shall consist of not less than twenty-one members.

What is Mr Klepsch's position ?

**Mr Klepsch, deputy rapporteur.** — (D) The rapporteur recommends rejection of the amendment, Mr President. It was previously put to the Committee on the Rules of Procedure and Petitions and was also rejected then, because the committee wanted to introduce only one amendment involving, on the basis of the present Rules of Procedure, the proportional increase from 198 to 410 Members. The Cunningham amendment would reduce the requirements for forming groups to such an extent that the balance in relation to the current Rules of Procedure would not be maintained. The rapporteur therefore recommends that the Cunningham amendment be rejected.

**President.** — I put Amendment No 1 to the vote. It is not adopted.

I call Mr Spénale on a point of order.

**Mr Spénale.** — (F) Mr President, the aim of the Luster report is to change the Rules of Procedure. The aim of the amendments is to change the proposals made in the Luster report, and we know that even if we all vote the same way, there will be no result. That is how things stand, so is there any need to carry on ?

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, in view of the number of Members present in the House, I should like to ask on behalf of my group that the vote be deferred.

(Mixed reactions)

**President.** — I call Mr Cunningham.

**Mr Cunningham.** — Mr President, we have already begun voting on this matter. We have disposed of the two amendments to the Luster report. I would suggest there is no reason at all why — it will only take us about 30 seconds now — we should not complete the process. There is a very good reason why we should proceed. It is this. You cannot have a situation where people say : We have not got the numbers this afternoon, maybe some other time we shall have the numbers, so we put it off from the proper time on the agenda of Parliament to some other time. In practice, we all know that it is highly unlikely that there will

be any other time when the numbers are available. Moreover, it would be a bad principle to establish that people can have a look round the room, decide that numbers are not available for their purposes now, and postpone the report. We have begun this matter. Let us get rid of it, which we can do in about one minute.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, I only want to point out to Mr Cunningham that when we last voted on changing the Rules of Procedure we proceeded as follows : if there is no quorum, the matter is deferred until a later sitting. That is all I am proposing now.

(Mixed reactions)

My dear Mr Cunningham, you may think what you like, but this is normal procedure in the House, and this is how we proceeded when we last amended the Rules of Procedure. Whether you are happy with this today is irrelevant. I only want to point out that I am proposing this course of action because the House has proceeded in this fashion on earlier occasion.

**President.** — I call Mr Spénale.

**Mr Spénale.** — (F) Mr President, there are only two solutions : either we do what Mr Klepsch proposes or we vote on all the amendments together. None will be adopted and then the Luster report will fail to be adopted. There is no point wasting time on the details.

Either we realize that nothing is going to be adopted or we defer the vote ; otherwise we are just wasting our time.

**President.** — I call Mr Broeksz.

**Mr Broeksz.** — (DK) Mr President, I believe we should carry on with the vote. We are not going to achieve anything but we have to go through with it. After we have done that, we shall have to table the same motion again when there are 100 Members present and we can then get done what in our view needs to be done.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, I entirely agree with Mr Broeksz that we should reconsider this report by the Committee on the Rules of Procedure and Petitions when we have a quorum. This is how we have proceeded hitherto. Anyone can look at the minutes and see that the House has proceeded in this fashion, and this is what I think Mr Broeksz was saying. The simplest solution is to suspend the vote and to reconsider the report when there is a quorum in the House. This is what we have done in the past.

(Interruptions)

We have never produced a new report in the past.



**President.** — I do not think there is any point in continuing this discussion. Before we began voting, I said it would be better if we postponed the vote, but this proposal was turned down.

I call Mr Klepsch.

**Mr Klepsch.** — *(D)* We would have accepted your proposal but it was never put to the vote. We agreed with you, Mr President, but you did what Mr Cunningham wanted.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, are we not having a classic example of what happens when some people cannot fix the vote? It was not Parliament that decided that it wanted this change in the rules, but the Bureau and the Committee on the Rules of Procedure and Petitions. There is really no point in the individual Members of this Parliament saying: If we cannot win the vote, we shall put off the vote until we have 100 Members here and can manage to fix it. You took the decision to ask us if we wanted to vote. We asked for a vote. Can we now complete it?

**President.** — I call Mr Holst.

**Mr Holst.** — *(DK)* Mr President, I had the great honour to be in your chair this morning, and we quite clearly decided then that the voting would take place under Rule 54 (2). I understood from you, Mr President, that you told Parliament that we should either start the vote and conclude it under these rules, or else we should not start the vote at all as there was no quorum present. It might well be that, if there had been a quorum present, the voting on the amendments would have been different. We must therefore continue with the voting.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — *(D)* Mr President, as far as I know, there is nothing in the Rules of Procedure — and if I am mistaken on this, kindly enlighten me — to stop us from deferring a vote at any time during the voting procedure, if there are other votes still to come and if the majority of the House so decides. I would ask you to consider this point and come to a decision on Mr Klepsch's request.

**President.** — I put Mr Klepsch's request to the vote. The request is adopted.

I call Mrs Dunwoody.

**Mrs Dunwoody.** — With the greatest respect to you, Mr President, I find that little incident absolutely astounding even by the bizarre standards of this establishment. We started a vote; we actually started that vote after it had been put to the Assembly — it was

announced by the Vice-President in the chair this morning — that there would be a vote; there has been no change in that procedure whatsoever, and in the middle of the vote on the whole thing, you suddenly make the totally different suggestion that it should be put off, because Mr Klepsch doesn't think he can fix the vote. Now, frankly, that is utterly disgraceful. Any democratic organization, or even any organization that pretends to have any involvement with democracy, cannot play around with the rules of the game in that way. If this Parliament seeks, as it obviously does in this motion, to try and fix what is going to be the rule in the new Parliament, it cannot in the middle of the entire vote suddenly change its mind. What happened was that the Committee on the Rules of Procedure and Petitions, without consulting Parliament as a whole, took a decision; they wanted to get it through, for which they needed a hundred people, and because they haven't got a hundred people, they now want to put off the vote in the middle of voting on the amendments. How you, Sir, as a democrat can defend that I will never understand.

**President.** — Mrs Dunwoody, you should have spoken out against the vote on Mr Klepsch's request before it took place, but you took part in the vote, and you cannot take part and then complain. In my view, this is not the right way to go about it.

I call Mr Cunningham on a point of order.

**Mr Cunningham.** — Mr President, I am sure none of us wants to prolong this further, but could you clarify now two points?

*(Interruptions)*

Is it in future to be the procedure of Parliament in its new form that in the middle of a vote it will be open to any Member, not just from the front benches, to propose putting off the vote and that the proposal can be carried by a simple majority? Can you tell us if that is now the established practice of this House? That is point one.

Since we are having a procedural dispute, Mr President, could I ask you also to clarify a further point which arises, not out of the incident we have just had, but out of the entire debate on that subject? It has been suggested that if I had not tabled my amendment and Mr Patijn had not tabled his amendment, and if the House had generally accepted the proposals in the Luster report, then it would have been possible to change the rules of the House without the need for 100 votes in favour under Article 54 (2). Now could you clarify, Sir, whether in fact it is possible to change the rules without having the support of 100 Members? It has been claimed by leading Members of the House that if no-one raises an objection then the House can decide to override Rule 54.

**President.** — I call Lord Kennet.

**Lord Kennet.** — Mr President, I rise to seek further clarification on this procedural matter. At some future date, either you yourself or another President of the Parliament will be sitting in that chair when this proposal comes forward for vote. At that time it will be pointed out that amendments to the proposal were considered and rejected today — has been an unsuccessful attempt to amend it. I am sure that the future President of the Parliament or of the sitting would be grateful if he had before him a ruling or even a suggestion from yourself now on the question whether at that future sitting the Parliament could consider amendments to the proposal.

**President.** — I call Mr Broeksz.

**Mr Broeksz.** — *(NL)* Mr President, I feel we have ended up in a particularly vexing situation. I agree with you that the best thing would have been, now that the motion is before us, not to introduce any amendments. Parliament could then have adopted the motion with a general vote. But amendments were tabled and we have now begun the vote. Since we have begun it, we shall have to finish it. Anyway, we can no longer put the same motion before Parliament. I have therefore asked that we carry on with the vote and then request the Committee on the Rules of Procedure and Petitions to submit a new motion, in view of the opinion that has been expressed here in the House. If necessary, this could be done tomorrow or on the next occasion when 100 Members are present. I am sorry that this has not been done, because Mr Klepsch's request means that we are breaking off in the middle of the vote and it gives the impression that something else could be done. There is nothing else we can do, Mr President. That is the situation, unfortunately. I am very sorry about it, and I suppose you are, too.

**President.** — Let me attempt to summarize the situation. I am not going to repeat what I said at the outset about the lack of a quorum for this vote on amending the Rules of Procedure. We went on to vote on amendments which required the same quorum in order to be adopted, and of course we did not have a quorum.

I have been asked whether amendments to the Rules of Procedure may be adopted in future without the quorum laid down in Rules 54 (2). The answer is 'no', because the Rules of Procedure are quite specific on this point.

What is the significance of the vote taken on Mr Klepsch's request. I should like it to be recorded in the minutes that this vote was simply to see if a quorum was present. We do not have a quorum, which means that even if we had completed our voting, the amendments to the Rules of Procedure would have been null and void.

At this point, if the House is in agreement, we could refer the matter to committee, so that the committee itself can decide whether to submit the same motion or other motions.

I call Mrs Dunwoody.

**Mrs Dunwoody.** — Well, sir, I am very grateful to you for that minimum clarification. But, with the greatest respect, it does not actually answer the other points which were put to you. If we are halfway through a vote and a number of amendments have been rejected, as they were, and in the middle of that you suddenly take a vote to put off the final vote and refer the whole thing back to committee — in other words, halfway through the vote you throw the whole thing into chaos — then would you please tell me what exactly has happened? Does that mean that the amendments, which at least sought to establish a degree of democracy in this nonsensical process, were lost or can they be revived when they come back to the Committee on the Rules of Procedure? Or are you really saying that, because Mr Klepsch couldn't pack this chamber with 100 people that he knew would vote the way he wanted them to vote, we are now going to pretend that none of this has taken place and we are going to return to square one? If that is so, then presumably we can put all of the amendments again.

**President.** — That seems quite logical to me. The amendments were not adopted because there was no quorum. It is obvious that they can be put forward again when the committee reconsiders the matter.

In view of the discussion, and since I note that there are no objections, the report will be referred to committee.

10. *Directive on the protection of the interests of members and others in sociétés anonymes (resumption)*

**President.** — The next item is the resumption of the debate on the Schmidt report (Doc. 136/79).

Mr Guertsen requested this morning that the report be referred to committee.

I call Mr Caro.

**Mr Caro.** — *(F)* As we were told this morning, Mr President, we have reached a stage with this debate — which is of paramount importance for this Assembly during the final run-up to the direct elections — where most of the Members have made an effort to reach a compromise so that the Commission's work will be easier and so that we can get a positive result.

If I may say so again, the European Parliament's main task is to consider the efforts by the Commission in positive terms and not to scuttle them by means of some procedural stratagem or reference to committee.

Caro

Nonetheless, Parliament and all the political groups are also aware that there are still one or two points to be settled before we can give our full support to this fifth directive and state our position on the conditions required in a Community directive on employee participation of the management boards of undertakings.

The situations in the Member States and the attitudes of the political parties are worlds apart, to say the least. We are in a transitional period as regards this matter, and we have to come up with a guideline text for gradual change.

Yesterday we looked at a text proposed by the Legal Affairs Committee and which, in the opinion of a considerable part of the House, went rather too far in view of the current situation and threatened to change the Commission's proposal for gradual change into a text which would be far too rigid for present needs, by becoming compulsory at the end of the transitional period. Several groups are not ready to accept this just yet. Furthermore, many Members felt that there was a need to incorporate in this directive not only the minimum requirements before any new concept can be introduced, but also the ultimate aim which the majority want to achieve and which is omitted here, i.e. parity.

What in fact happened? The Christian-Democratic Group tabled an amendment along these lines yesterday, and during the morning the groups got together in response to the appeal which Mr Davignon made on behalf of the Commission yesterday evening and which Mr Gundelach repeated this morning. We discussed the matter without yielding on our basic positions. The Christian-Democratic Group consulted in particular Mr Schmidt, the rapporteur for the Legal Affairs Committee, to see if we could not work out a joint text which satisfied the basic positions which I have just referred to.

I must say that I was delighted when we found an area of agreement at the end of these talks. As a result, the Christian-Democratic Group is withdrawing the text which I presented as Amendment No 1 yesterday and is instead tabling, together with Mr Schmidt on behalf of the Socialist Group, a new amendment to replace the resolution proposed by the Legal Affairs Committee and the draft amendment which I tabled during yesterday's sitting. I trust that this text will satisfy all those who felt that new proposals had to be sought from the Commission, especially with regard to Articles 3 and 4 of the directive, and that in the meantime — instead of shelving the matter with some procedural stratagem or other — the Commission could get to work and submit new proposals to the directly elected Parliament.

Since this has been done, we believe that we have satisfied those who were wanting more time for considera-

tion. I am referring to those who did not want to reach any decision here and now on the problem of workers' representation on supervisory organs in particular, as well as those who wanted to see expressed the principles which they hold and for which they were elected, by direct universal suffrage, back home in their own countries.

I want to pay tribute to the Members of the Socialist Group who accepted this area of agreement so that the European Parliament could act in a positive manner at this significant time on a matter as weighty as the one we are dealing with. I call on the other groups, on the Conservative Group, on the EPD Group, on the Liberal Group and on the unattached Members, to go along with this approach so that we can enable the Commission to respond to Parliament's call.

IN THE CHAIR : MR ADAMS

*Vice-President*

**President.** — I call Mr Schmidt.

**Mr Schmidt, rapporteur.** — (D) Mr President, I can go along with much of what Mr Caro said. The Members of the Socialist Group — if for once I may speak at the same time as rapporteur and as a Member of my group — are of course not altogether happy with what has come out of all this, because we wanted something more. In this we had the support of the Legal Affairs Committee. But both Mr Davignon yesterday and Mr Gundelach today passionately appealed to us not to cause any further delay by rejecting the whole thing or exploiting procedural means to prevent the directive from being adopted. Our group then decided with some reluctance to adopt a joint approach, which was worked out by Mr Caro and myself, and we agreed to replace our motion with a joint amendment, which is now being considered.

As rapporteur, I also go along with the view — which in my opinion also satisfies the wishes of those on the Legal Affairs Committee who were in favour of the proposal — that we should not get caught in a situation whereby these important questions would still be pending.

A number of major points have been retained: for example, redrafting on the basis of the report by the Legal Affairs Committee with due regard for the proposals made by the Committee, and the fact that we do not agree with Articles 3 and 4 is also made clear. It is on this basis that we can reach agreement. I withdraw my motion, which is replaced by the joint amendment, and I ask the House to vote in favour of this joint amendment.

**President.** — I call Sir Derek Walker-Smith.

**Sir Derek Walker-Smith, Chairman of the Legal Affairs Committee.** — Mr President, if I may speak as chairman of the committee responsible, I should like first to express my regret that I have not been able to attend the debate until this afternoon. The reason is that I was accorded the honour of proposing the election of Mr Speaker in the House of Commons yesterday, and that is an occasion not only of practical importance but also of symbolic value to many parliaments and many people throughout the English-speaking world, as sign and symbol of the historic continuity of our parliamentary practices. I must also express regret that I was unable to be present at, or preside over the last and definitive meeting of the Legal Affairs Committee for a less agreeable reason: it came in the middle of the period of the general election in the United Kingdom.

Mr Caro has made reference to the intervention of Mr Geurtsen, one of the distinguished vice-chairman of the committee in regard to Rule 26. Now as the House so well knows, paragraph 2 of Rule 26 says that a request for reference to the committee shall always be granted if it is made in person by the chairman of the committee responsible.

That the rule does not say, of course is by what principles the chairman is to be guided: is he to exercise his right as a servant of the committee seeking to interpret its will? I have no doubt that it is in that second capacity that he is intended to exercise the right, that that is an implied provision of the rule, though not an express one. I see that Members of the seniority and experience of Mr Bertrand and others assent to that view. At this stage there is no possibility of my ascertaining the will of the committee because it is not in session; nevertheless, Mr President, it is possible to ascertain the will of the House, because the House is in session. By what I will as chairman be bound in the exercise of my discretion, if you, sir, will permit us, as is your right to ascertain the will of the House as to whether or not I should exercise my right under Rule 26. That is my position as chairman of the committee, and I hope you will assent to that request.

If I might just add a brief word on my personal position, and that of the group of which I am a member I think it would be unfortunate if, in the final stages of this parliament, a resolution, in the terms of the composite resolution commended by Mr Caro and Mr Schmidt, was adopted after very little discussion, in a form which overturns in some vital respects the draft of the Commission's directive; I refer, in particular, to the provision of Article 4 in relation to the composition and balance of the supervisory board.

I speak as a long-time believer in, and exponent of, the principle of employee participation, as a believer in its importance as a vital progress. Nevertheless, I believe that precipitate action today would be likely to

be counter-productive in two respects: first with regard to the further consideration by the Commission of this matter, and also very importantly, Mr President, to its ultimate and definitive consideration by the Council of Ministers, which, as the House well knows, is the constitutional legislative organ of the Community under the provisions of the Treaty; and second, if I may say, so with regard to the reputation of this Parliament, I sympathize, of course, with the desire of our valued rapporteur Mr Schmidt, to finalize his long and conscientious labours, and I would like this to be for his sake, because he is a valued friend and colleague, of *finis coronat opus*; but a report or resolution adopted with inadequate study and deliberation would not constitute a crown worthy of the great contribution which Mr Schmidt has made to this Parliament.

This Parliament, sir, is close to its end, and I recall Shakespeare's comment in *Macbeth* on one of the characters in the play: 'Nothing in his life became him like the leaving of it.' Paragraph six of this composite resolution repeats and adopts the main point of departure of the report from the Commission's original draft directive as discussed at length in our committee. I do not believe that the adoption of this resolution, in these circumstances and by this necessarily precipitate action, would rebound to the credit of this Parliament or enhance the reputation which it would wish history to accord it. That, however, is a personal view; it may well be the view of my group — and I see that the chairman of my group nods his assent — and of other groups as well. But in my capacity as chairman of the committee responsible and in exercise of my right under Rule 26, I would submit myself to the will of this House if you, sir, would be good enough to cause it to be ascertained. If you would do that, sir, I should show the objectivity which I think would be proper to a chairman in such circumstances, by abstaining on such a vote. That seems to me to be the proper democratic and constitutional procedure for a chairman in this position. I respectfully commend that course to you, Sir, and ask you to ascertain the will of the House.

#### IN THE CHAIR: MR SPÉNALE

##### *Vice-President*

**President.** — I should like to know, Sir Derek, which procedure you are referring to. I thought you were speaking in a personal capacity, i.e. pursuant to Rule 32 of the Rules of Procedure, when moving reference to committee. If this were so, I should have to ask for one speaker for and one against the motion, and then put it to the vote. On the other hand, if you are making this request in your capacity as chairman of the committee responsible Article 26 applies and refer-

**President**

ence is automatic. I should like to know in what capacity you are making this request.

**Sir Derek Walker-Smith.** — I am asking you, sir, as President of this Parliament, to ascertain the will of this Parliament. Nothing, I think, can be more democratic and appropriate than that. And I have said that in the exercise of my statutory right under Rule 6 (2) I will be bound by the opinion of the House, because it was unanimously, as far as I could see, assented to by the Parliament that I should exercise this right not in a personal capacity but in accordance with the will of the committee. In the absence of a meeting of the committee, it is clearly appropriate that you should ascertain the will of the House quite simply as to whether or not they would wish the matter to be referred to committee. This is, I think, sir, a perfectly simple, viable, proper and democratic proposition, and I respectfully ask you to accede to it.

**President.** — Ladies and gentlemen, at this stage we shall have one speaker for and one speaker against and then we shall vote. I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President I have simply asked to speak in this debate because I believe that what the chairman of the Legal Affairs Committee has now put forward can be discussed in the debate. I have not yet made up my mind whether I am for or against and I should like the debate to continue. In my view the chairman of the Legal Affairs Committees is justified in the way he is acting. A chairman cannot decide the matter for himself and merely use his own political judgment at a moment like this. The chairman is the servant of the Committee and in my view it is clear that the majority of the Committee and the majority of Parliament consider that decision must be taken today. This is not entirely accidental. Both Mr Davignon yesterday and Mr Gundelach this morning asked for this to be done. This led to Mr Geurtsen's *démarche*. Mr Geurtsen felt that he was entitled as vice-chairman of the Legal Affairs committee to suggest that the matter should be referred back to the Committee. We did not discuss that suggestion. In my view Mr Geurtsen had no right to act as he did. Vice-chairmen do not have this right, only the chairman is entitled to act in this way. This seems to me to be the proper mode of operation, laid down in the Rules of Procedure. In these circumstances I think that the chairman is right to ask whether the majority of Members of this Parliament wish the motion for a resolution tabled by Mr Schmidt and Mr Caro to be accepted or whether, if it is not accepted the matter should be referred back to the Legal Affairs Committee.

I think this is entirely the correct procedure, Mr President, and I consider that if the vote takes place on

this question tomorrow morning, the question which the chairman of the Legal Affairs Committee posed must first be dealt with — whether what he did was correct. That should not be discussed now but tomorrow when the voting takes place on this question probably at the beginning of the sitting. Everyone knows that the voting will take place then, and that the motion tabled by Mr Schmidt and Mr Caro will be on the agenda. I would consider it entirely wrong to have that vote now, when nobody knows about it and everyone thinks that the votes have been completed.

Tomorrow when the subject comes up on the agenda you can ask who is for and who is against. That can then be discussed very briefly, but I should regard it as quite wrong to hold this vote hastily now.

Mr President I do not wish to comment further on what Sir Derek Walker-Smith gave as his personal opinion. That is no longer relevant, but if it is now claimed that this matter has been too summarily dealt with, that there has hardly been any preliminary work or discussion on it, I would reply that the latest proposals from the Committee have been under discussion in the Legal Affairs Committee for two years and that is quite long enough.

**President.** — Before asking Mr Schmidt to speak I should like to remind Mr Broeks that by Rule 32 a point of order takes precedence over the main question, the discussion of which must be suspended.

I call Mr Schmidt.

**Mr Schmidt, rapporteur.** — (D) Mr President, may I be permitted the following comments. Firstly, following the remarks of the chairman of the Legal Affairs Committee there is at present no motion for referral back to Committee before the House. Mr Geurtsen's proposal has been nullified by the statement of the chairman of the Legal Affairs Committee who is now with us. The only question which must be decided today is that put by Sir Derek Walker-Smith, who quite justly says that he is no longer in a position to ask his Committee and is therefore asking the opinion of the House. He has in effect said that if Parliament considers that the vote should be taken on this report he will respect Parliament's decision. That is what is now at issue, and I do not believe that any more long speeches are necessary. That's what he wants and that is what we should do.

**President.** — I call Mr Bertrand.

**Mr Bertrand.** — (NL) Mr President, I fully agree with your interpretation of Rule 32, in other words that a Member may always ask during a debate to move reference to committee. The debate is then suspended and a vote must be taken. So I fully agree with your interpretation.

**Bertrand**

Secondly, I should like to thank Mr Schmidt for his accurate interpretation of the function of the chairman of the Committee, who is not permitted to react on his own behalf, but who is a servant of the Committee and must be guided by the majority of that committee. I thank him for those remarks. However, in addition he also asked as an ordinary Member that the entire text should be referred back to the Committee and he added that if this request was rejected he would accept that decision in the normal manner... Obviously I am mistaken, since he is indicating that he did not request that. Sir Derek Walker-Smith now tells me that he did not ask for the matter to be referred to committee. In that case we must certainly not vote! I should thus like to ask Sir Derek Walker-Smith to tell us unequivocally whether he is asking for referral to committee at this time, as an ordinary Member of this Parliament. If he is not, and I ask him not to, then we can continue the debate and vote tomorrow.

**President.** — I call Sir Derek Walker-Smith.

**Sir Derek Walker-Smith.** — Mr President, I hoped and thought it would be clear from the tenor of my speech that I personally was not moving the reference to committee. I said that I hoped that the House would be put in a position in which it could come to a decision. It can come to a decision if one Member moves a reference to committee and this is opposed by another Member, as you, Mr President, have already pointed out. I am not the person to make a personal reference, because I am the chairman of the committee and have already stated that I think it would be appropriate for me to abstain on any such vote. All that is required in the mechanics is that somebody moves it as a technical matter and it is opposed, and then the decision is taken. If nobody moves it then nobody wants it and *cadit quaestio*, the matter is settled.

**President.** — Obviously I had misunderstood you, Sir Derek. The debate will therefore continue.

I call Mr Caro.

**Mr Caro.** — (F) Mr President, may I congratulate Sir Derek Walker-Smith, who has not used the power available to him under the Rules of Procedure out of respect for this House, although he was perfectly entitled to do so.

It stands to reason that all those who have worked hard over a period of 48 hours to produce a motion for a resolution that would permit a decision to be taken are not going to be satisfied with a vote or a referral to committee. We would like to see the Committee take up the matter again, in view of the mandate which we are giving it to ensure that the matter comes up again before the directly elected

Parliament. In other words, Mr President, we are asking you to interpret the will of this House, as adequately reflected in the agreement of the two largest groups in this Parliament, to take a decision, and if you think it necessary, to have this decision ratified by a vote which could be proposed by a Member, but which has not been asked for by the chairman of the Legal Affairs Committee.

In some respects, my views do not differ so much from those of Mr Broeks, although this is a procedural matter — no decision can be taken until we have been invited to vote on the motion proper. Consequently the debate will continue, and I find this gratifying.

**President.** — I note that no one else wishes to speak.

The motion for a resolution and the amendments which have been tabled will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

#### 11. *Economic and trade relations between the EEC and New Zealand*

**President.** — The next item is the debate on the report (Doc. 107/79), drawn up by Lord Castle on behalf of the Committee on External Economic Relations, on economic and trade relations between the EEC and New Zealand.

I call Mrs Dunwoody.

**Mrs Dunwoody, deputy rapporteur.** — Mr President, I am glad that we have eventually come to the consideration of Lord Castle's report on what to me is an extremely important subject — namely, the relationship of the Community with New Zealand.

For a very long time the Community has benefited from its relationship with a country that is, certainly to my mind, one of the best examples of a stable and an efficient society. The islands of New Zealand, which have long been connected with the United Kingdom, have certain lessons to offer us in the Community. They are extremely efficient producers of agricultural produce. They employ their investment in the agricultural industry in a way which not only benefits the consumer but enables them to export a high proportion of their agricultural produce right the way across the world and to compete in an excellent manner with other nations because of their efficiency and of the quality of the goods they produce. This is a lesson that could well be learned by many others.

Lord Castle has produced a report which is very noticeable, it seems to me, for its sane and sensible tone. It has not only examined the history of the relationship between New Zealand and the Community but has spelled out some of the undoubtedly very difficult and far-reaching political problems that we are

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beginning to encounter in the Community in our relationship with the islands.

Let us examine what happened. When Great Britain, which had traditionally benefited from its relationship with New Zealand, entered the Community, it sought — in my view, absolutely rightly — a special situation for New Zealand as a supplier of agricultural goods. It obtained what might not have been, or might not have seemed to some of us, adequate safeguards, which nevertheless were a guarantee of the goodwill which the Community wished to demonstrate to New Zealand. Over a period of years New Zealand has demonstrated in a most remarkable way its responsibility, and its understanding of the view of the EEC. Indeed, even at the cost of its own export markets, New Zealand has sought to comply with the conditions that were laid down by the EEC. The figures in the report demonstrate clearly that in fact the price paid by New Zealand for this restraint has been very high. I must frankly say, as a British consumer, speaking for a moment for myself alone, I believe that the price of New Zealand's discipline has been one that has been borne by the British consumer as well, because one of the advantages of being closely linked to an exporter of agricultural produce like New Zealand was that one was able to buy their goods at very reasonable prices. New Zealand, however, accepted that because inside the Community there was a common agricultural policy, which seemed very specifically to be aiming at high prices to protect the producer irrespective of the effect on the market, it would not be possible for New Zealand to undercut existing producers. They therefore have agreed to a system of levies which, frankly has led to considerable disadvantages, not only for the exporters but for the consumers.

Those of us who have watched the decline in the sale of New Zealand produce, particularly inside the United Kingdom, know that, whatever else, this must have something to do with the artificial rise in prices, which, of course, is directly connected with a system of levies administered at the borders for the Community. Nevertheless, in Dublin the Community looked at the whole question of its relationships, particularly with this country in the South Pacific basin, and decided that it had both a moral and an economic responsibility and that is the thing that I think must be underlined to the Community today.

We are not simply talking about a straightforward trading agreement; we are talking about a moral commitment, and the report spells out that what happened in Dublin was that an undertaking was given to New Zealand that her interests would not be ignored. We actually say:

'New Zealand needs therefore to be able to feel that in the Community it has a trustworthy partner with

whom it can discuss matters of mutual concern and meet with a measure of understanding.'

Not the least of the reasons why it needs to have this understanding and this trust is that New Zealand has always provided a market itself for the manufactured goods, of the Community, a market which, since Britain's entry into the EEC, has been expanded for other nations than our own and from which they are beginning to benefit. There can be no doubt that if this is in fact the situation, we have an even greater commitment to protect the interests of the New Zealanders. What has happened, of course, is that over the years New Zealand's quota has gone down, and it is only now that she has received any undertaking that she is to be allowed to export to the Community continuing amounts of dairy produce.

I must say that I believe the whole question of what is called a sheepmeat régime is another aspect of the trading policy that we have to look at extremely carefully, because New Zealand produces and sells lamb and mutton to the Community in such a way that the consumer benefits tremendously from her efficient marketing and is able to enjoy access to cheaper meat than that which is increasingly becoming very difficult to buy from within the Community itself.

Therefore when the Community decided to set up a sheepmeat régime, with all the problems that entails for the countries of the Community, many of us put forward the argument that in seeking to create an artificial market of this kind we should actually be damaging the interests of the consumers. How much more difficult is it, therefore, for a country like New Zealand, already having considerable difficulties with its larger trading partner, the EEC, if its other efficient market, namely lamb and mutton, is to be damaged by increasing levies and the progressive organization of a sheepmeat market.

I would commend this report to the European Parliament because it establishes, to my mind, the real situation. It doesn't seek to be a propaganda document and to suggest that all that is New Zealand is best, and all that is produced in the Community is therefore unacceptable. It sets out the history, the trading pattern, the changes that have taken place, the very real damage that the Community has done to New Zealand's trading position, and it also sets out in very moderate terms the positive advantages to the consumer inside the Community of the continuation of a trading arrangement with New Zealand. If there is, in an area with which we have a number of connections like the South Pacific, not only with New Zealand but with other ACP countries, an establishment which is democratic, stable, efficient and anxious to trade with us, I would have thought that it was extremely important that the Community should actually bend over backwards to come to an agreement with them which would enable them to

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continue the happy relationship that they have had with the EEC over many years.

I hope that this Parliament will today accept the report. I believe that there are many aspects of it which are of very great use. These will, for example, dispose of the idea that it is only New Zealand dairy produce that is causing difficulty for us in the Community. They will demonstrate that although, to take the case of Great Britain, some EEC, exporters have experienced a considerable fall in their exports of dairy produce to the United Kingdom, nevertheless New Zealand itself has also had a comparable fall in its exports, and this, I am sure, is largely connected with the question of price and the question of consumption in general. I think that it will make it clear to those agricultural nations which have had considerable doubts about continuing the arrangements with New Zealand that this is something which we can not only welcome but from which all of us in the Community will benefit. I trust that if we are to establish ourselves as a world trading bloc, and after all that is what the EEC inevitably must become, then we are not going to seek in some way or another to discriminate against those of our erstwhile partners who have proved themselves not only steadfast in their commitment, but actually extremely helpful in the arrangements that they have been prepared to make to accommodate the policies of the Community — even at considerable cost to themselves.

I believe that this report, even though I would perhaps like to have seen some of the recommendations rather more strongly phrased, is an extremely useful document, and I trust that it will be accepted and acted upon by the Parliament.

**President.** — I call Mr Tolman to speak on behalf of the Christian-Democratic Group (EPP)

**Mr Tolman.** — (NL) May I begin Mr President, by congratulating Lord Castle on his report. I consider that it has become an exceptionally good report — and I emphasize the words 'has become' — partly owing to the discussions which took place in committee. I fully understand that with his British background Lord Castle approaches this question somewhat differently from the non-British members — the same can be seen from Mrs Dunwoody's comments — and we realize that there is, of course, a traditional link between the United Kingdom and New Zealand. I believe that we must take account of this fact, and I have indeed the feeling that it was taken into account.

Having said that, I shall limit myself to a few concrete remarks. Mrs Dunwoody is of course right in pointing out that New Zealand is an agricultural country which operates most efficiently and which is thoroughly competitive. On the other hand, there are serious objections nowadays to a structure as one-sided as that

of New Zealand. It can produce cheaply, but it also has to find a market for its products. And if we look at the figures for production and exports, and I shall refrain from quoting them all, it is perfectly clear that to bulk of that country's exports went and still goes to the United Kingdom and to the Community.

When assessing this report I feel that we must take care not to make the mistake of thinking everything will remain the way it is, even if the Community is not developing in the way we had expected. If we look at the consumption figures, to take one section of the report at random, it is clear that changes are taking place in New Zealand and also in the United Kingdom. The fact that in the space of a couple of years production of butter has climbed by more than 50 % while consumption has dropped by 7 % is indication enough that changes can take place in the export position, for example, even without the Community. I think we must bear that in mind. I do not wish to be mealy-mouthed about this, but it is clear that we must start from the acceptance of the position that we have a new situation in which certain products, particularly butter and cheese, will entail difficulties for New Zealand, but that there are in my view, good prospects for our trade in mutton and lamb, even after the entry of Greece, Spain, and Portugal. I recognize that the Community has a special collective responsibility towards New Zealand. That is perfectly clear. However, we must not be blinded by this fact, but must look to the future, and this means that the United Kingdom, too as a member of the Community, must realize that it bears a special responsibility towards the Community, in other words we must accept that the old trade relations are changing and must in some senses be looked at anew. There is no getting round that. If we fail to recognize this, we are only kidding each other on. Moreover, this recognition will have to be given under pressure from the circumstances of the agricultural market in Europe which brings us immediately to the question of surpluses. There is a surplus of around 240 000 tonnes of butter in the Common Agricultural Market, but when we realize that imports from New Zealand total 120 000 tonnes of butter it is evident that no one in his senses can accept that these figures should remain like that, in other words that this trade must be maintained and that these imports from New Zealand sustained at the same level. That is quite impossible! Public opinion will not accept that. There has been so much to-do about the surpluses in Europe that I believe, that is the interpretation I would put on this nonetheless valuable report, that all these matters must remain open to discussion.

We must be correct in our business dealings. We are well aware that there are commitments, that there are trade relations that you cannot just abandon, and for this reason I attach great importance to a number of elements in Lord Castle's report. We recall the Dublin Congress, but I should like to mention in particular



**Tolman**

the development of the international dairy products market. I am thinking in particular of the international agreements which could have the effect of making New Zealand's position more stable in the future.

To conclude then, my group approves this report, because it respects the existing agreements. Our interpretation of this matter is somewhat different from that of Mrs Dunwoody, that is true, but this is perfectly understandable because she is British. In other words, we wish to deal with this matter correctly but we feel that we must work towards the necessary changes, taking account of each other's interests of course, but in the correct manner that is characteristic of democracies and countries which have traditional ties with each other.

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

**Mr Nyborg.** — *(DK)* Mr President, I shall be brief. I am pleased to hear Mrs Dunwoody emphasize the efficiency of New Zealand, the high quality of its agricultural produce and the country's competitiveness. All this is very gratifying. When we consider the burden that imports from New Zealand represent for our agriculture in the EEC, we must also bear these things in mind and must assume that New Zealand will not find it all that difficult to dispose of its agricultural production elsewhere.

The document before us deals with a trade agreement with a third country. Every sensible trade agreement must include two elements — a comprehensive list of imports and of exports. A look at the figures for New Zealand imports over a number of years — I don't know for what reason the years shown in the table were selected — shows that 53 % of New Zealand's imports in 1961 came from the European Community or from countries which today are part of the Nine, but the figure fell to 31 % in 1976. In the same period imports of American goods rose from 9 % to 26 % and it looks as if the emphasis in New Zealand is now on imports from other countries, which leads to an unbalanced pattern of trade unless exports are adjusted at the same time, or unless we for our part adjust imports of New Zealand produce in an attempt to restore the balance.

In conclusion, I should like to say something which everyone in this Assembly, including Mrs Dunwoody, is aware of, which is that European farmers think it rather wasteful for us to be importing from third countries goods which we ourselves produce in quantities greater than we can consume and which we then have to store for long periods, at considerable expense, and then, in order to be rid of them we have from time to

time to sell them to other third countries at a substantial loss. On behalf of my group, I must therefore say that I cannot vote for this report.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — *(DK)* Mr President, I should like to thank Lord Castle for a remarkable report and Mrs Dunwoody for her energetic presentation of the report. There can be no doubt that in the past there was a very close relationship between New Zealand and the United Kingdom and in many areas that relationship is still evident. There is also a very special relationship between the country I used to live in and will at some time in the future return to, and New Zealand, in that for many years we both had to fight shoulder to shoulder against agricultural protectionism throughout the world and against low prices, not least in connection with our butter exports to the United Kingdom.

Mrs Dunwoody is quite right when she says that we and the United Kingdom have a debt to New Zealand for the many goods we have received from there at such low prices that they left little room for profit, even for the very efficient New Zealand producers.

Another element which is relevant to this debate but has not been brought out so far is that, in connection with the 'Dublin Agreement' negotiations took place and not only was a certain level of butter imports guaranteed but similar guarantees were also given for cheese in certain years. This is nothing new, Mrs Dunwoody, this has been the case until recently and we subsequently changed to a new system, that of the International Trade Organization and its agreements. Not only have we agreed to certain quantities of butter and cheese for some years but, especially, butter prices were guaranteed and, particularly last year, we increased the prices which New Zealand gets for its products, thinking, as did the Council, that these price increases were necessary in order to sustain the New Zealand economy and to ensure a fair return for the efficient New Zealand producers.

We are about to begin new negotiations on prices and there have been demands for further increases in the price of the butter which we continue to buy from New Zealand under the Dublin Agreement. These are demands which, I must say, are quite justified, but which obviously cause problems for us and, given the milk situation in Europe, the Commission must insist that there are no increases in prices expressed as units of account. Also, if things go as we anticipate, there will be a marked rapprochement of prices in the Community and in New Zealand, and this, I might add, is a situation which I wish might be brought out more forcefully in the internal debate in the United Kingdom.

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Having said that, I will also stress that I share Mrs Dunwoody's view that the relationship between Europe and New Zealand — and this refers to the future and not to the past — transcends mere mutual trade relations. These are an element in the relationship but it goes much further.

New Zealand has stood by Europe in many critical situations over a very long period of time. Its culture is similar to ours, is an offshoot of ours and it is a region which is very well disposed to us; these are all factors which must not be underestimated in an unsettled world. In my opinion, therefore, however difficult it may be for us to continue importing butter and cheese from New Zealand, the Community is under an obligation to do so, and it cannot, for the reasons I have given, neglect that obligation.

I cannot at present say anything about quantities, that will be one of the items to be discussed in detail between the Community authorities and the New Zealand Government. There are of course many factors to be considered in such discussions. I have already indicated the link between quantities and prices but there is also the question of relations with third countries. As regards milk powder sales, we often find ourselves in the position of competitors, of market leaders; why should we not look at the possibility of cooperation, not in order to create a cartel, but to see if cooperation would enable us to avoid a situation in which we place a burden on tax payers and on the economy in order to reduce prices for skimmed milk to an unnecessarily low level.

As regards butter, the matter raised by Mr Tolman, the situation is that in recent years, and without much discussion on policy, we have in fact begun to export butter on quite a large scale. As I shall have the occasion to say in a future debate on agriculture, we are now quite a large net exporter not only of dairy products generally, but also of butter; in the last two years we exported considerably more butter than we imported from New Zealand. This is something that could change in the future, for I have often said that this is not an export on which one can rely in any long-term programme, but that is the situation at present and has been for the past two years.

It could be argued that, if we no longer imported the 100 000 tonnes or more of butter from New Zealand, we would then have more room for manoeuvre, and the three, four, five or six hundred thousand tonnes excess production next year would be reduced by 100 000 tonnes. In terms of the quantities involved, that would not solve our butter problem and no one should be under any illusion about that. But the problem in New Zealand would remain; because of the structure of the country's economy and for geographical reasons there are limits to the other economic activities which can be developed there. New products are of course being produced and new markets found

for existing products but there are limits to what can be done and the international milk market is very limited, especially the butter market.

If New Zealand found outlets on this very restricted world market for the quantities which it cannot sell in Europe we should then not be able to sell our excess production on the world market. We would be undercut by New Zealand, which would sell at a considerable loss; we would enjoy a slight relief but neither side would really have solved its basic problem. The situation is therefore more complicated. Butter exports should be continued after the period for which figures were agreed in Dublin. In my view — and I think this represents the general political attitude in Europe — on principle the exports should be maintained. Quantities, conditions prices and the question of cooperation on the world market can be agreed in due course, approved by the Council and discussed in this Parliament when we reach the nuts-and-bolts stage.

In order to bring this stage a step nearer, I shall be visiting New Zealand in the forthcoming 10 days, a visit which it might be said is not of such great importance, but it is the first time that an Agricultural Commissioner of the European Communities has gone to New Zealand to study conditions there and to discuss the problems which are dealt with in this report. I feel therefore that it is perhaps important to stress that we in the Commission look on our relationship with New Zealand as something other and greater than an advantageous, useful, necessary, reciprocal trade relationship. It is a necessary relationship between two closely-related peoples in which there can be no doubt that we, as the larger of the two parties, have a responsibility to ensure that the position of New Zealand is reasonably satisfactory.

As I said previously, it is obvious that we cannot simply throw our markets open to butter and cheese, we have to take into account the very difficult situation of our own milk market. We have to ask our dairy producers to make certain sacrifices and it is for that reason that I am so cautious where the size of New Zealand imports is concerned, because I cannot imagine that we can continue, inside the Community, to follow the dairy policy which is necessary in the long term without also looking for certain sacrifices on the part of New Zealand. But such sacrifices must be seen in the context which I have just described.

As regards sheep meat, I should like to make it quite clear that the proposals which the Commission has placed before the Council and Parliament do not include increases of any kind in tax or duties on imports of sheep meat from third countries — which mainly means New Zealand. We are and shall remain net importers of sheep meat so there will continue to be New Zealand exports to Europe. We have not suggested that any additional obstacles be placed in the

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way of these exports. The reason for the concern felt in New Zealand is that free trade in sheep meat in Europe, which is a necessary consequence of the Treaty and which has been confirmed by the Court of Justice, may lead to an increase in the price of sheep meat, not because of action by the Community or new intervention measures but because of market conditions, and that such an increase would lead to a reduction in consumption and consequently to a fall in New Zealand exports. I cannot agree with the implications inherent in this line of thinking because we have to accept market conditions and the free movement of sheep meat within the Community. In any case, I do not see that the risk is so great. The free market in sheep meat has indeed led to some increase in prices and to a narrowing of price differentials — price levels are lower in England and higher in France — but there has been no fall in consumption, which will continue to rise.

So, while I foresee difficult negotiations where dairy products like butter and cheese are concerned, negotiations which must be conducted in a positive manner, I do not visualise any great difficulty over sheep meat. However, I must again emphasize to this Assembly that there are economic considerations of which we must take account in these negotiations. New Zealand is a good customer of ours and has granted us significant tariff concessions in international trade negotiations. If our sales to them are not as great as those of the United States, the reason may be that we are not now so competitive; it is not because of any anti-European discrimination. On the contrary, as I have said, we have received significant tariff concessions in tariff agreements so there are also good commercial reasons why we should not be tight-fisted in the forthcoming negotiations with New Zealand and I shall try to avoid being so.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody, deputy rapporteur.** — Mr President, I should like to thank Mr Gundelach for his reply. I may say that I congratulate him on going to New Zealand; I wish that some of us were going with him, and I hope that he will enjoy his stay there, I am sure it is a tremendous advantage that any Commissioner of the Community should be able to go and see some of the problems that are undoubtedly facing New Zealand in the agricultural sector.

I had not really intended to comment on some of the problems of, for example, the milk-powder products, but he himself raised this subject, and I would like to say that when we talk about forming a cartel because otherwise they compete with us on the world market, New Zealand might have cause to say that it happens to be the other way round; that because of internal Community policies we actually have a lot of skimmed-milk powder that we do not know what to do

with and we then pay massive subsidies, very much at the cost of the taxpayer, to other countries to take the milk powder off our hands. In so subsidizing those exports we actually create extremely unfair competition for New Zealand, I think indeed if I were a member of the New Zealand Government, I should be thinking very seriously about pointing out to the Community that, if it continues to use artificial means of subsidizing its agricultural exports, I should be looking for some very considerable compensation because of the damage that was being done to my world markets. It really is not good enough for us as a Community to tell the New Zealanders to cut down their exports to the Community and then to compete with them by unfair subsidies on the export market. That is in effect what is actually happening.

As to Mr Nyborg, I can say to him quite cheerfully, if life were as simple as looking for complete bilateral balance of trade between countries, then Britain would have very little to do with Denmark, because the negative balance of trade between my country and his in agricultural produce is causing considerable unemployment, not only amongst our bacon-producers, but also amongst slaughterhouses and those people who get their money from the pig market. It is indeed the very considerable difficulties that we are experiencing with Danish imports that are contributing largely to unemployment in that field. So let him not think that any nation has the right to demand a simple balance of trade. In a world trading situation you say to your partners, we will sell you what we are best able to produce, and we hope that you will buy an equal amount. It really is not realistic to expect to be able to say to the New Zealanders, when you import you must only import from those people who are actually damaging your dairy exports by limiting the amounts that you can export to them and putting levies on the produce at the point of entry.

This brings me to my final point. The New Zealanders have made and are continuing to make considerable sacrifices. The consumer, both in Great Britain and elsewhere in the Community, would much prefer to have cheaper dairy produce available to him in a way which enabled him to benefit from the surpluses that exist in the Community. The Community long ago took a conscious decision that the way to maintain producers' incomes was to use a price mechanism which in fact meant automatic discrimination against countries outside the EEC, like New Zealand, that are capable of exporting their dairy produce efficiently. We cannot now ignore our responsibility to them. We cannot now pretend that we can expect them to make even greater sacrifices in order to try and protect what is manifestly an unworkable system. The problems in the Community dairy sector, as the Commissioner well knows, and as he has said himself with astonishing honesty, are not capable of solution by disposing of the very tiny quota that New Zealand get

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its dairy produce. They are far more fundamental, they are far more deep-seated, they will, in my very firm belief — and I may say this as someone who may never speak in this Chamber again — eventually blow the Community apart unless some very radical changes take place. I believe that that is the fact that we must hang on to. We cannot penalize a nation because they are good at producing things which we want to buy and expect them to remain our trading partners for long.

I commend this report to the Parliament because, as I said before, it is extremely moderate. It does not say in quite the open way that it should, that New Zealand in fact has been more than generous in the sacrifices that she has made for us. I only hope that, when the time comes, we shall be as responsible, as farsseeing and as helpful to them as they have been to us.

**President.** — I call Mr Tolman.

**Mr Tolman.** — *(NL)* Mr President, I had not originally intended to speak again in this debate, but I really cannot let Mrs Dunwoody's remarks go unanswered. I did hint that, despite putting my name to the report, my interpretation was somewhat different from hers. Now, though, I feel I must make a few additional remarks. I cannot go along with suggestions to the effect that countries like New Zealand have had to make considerable sacrifices. Things have merely developed along certain lines. The United Kingdom took a conscious decision to join the European Community. Although the decision is still giving rise to controversy here and there, the fact of the matter is that the decision was taken and the British must now be prepared to accept the consequences. After all, certain consequences are inevitable, and they will, in the long term be of a far-reaching nature in the case of the UK's relations with New Zealand. That is the first point I wanted to make.

My second point is addressed to the Member of the Commission. I listened to what he had to say with great care, and he himself said that his words would be carefully chosen. He indicated that he too attached great importance to good relations with New Zealand, and that he would be paying a visit to New Zealand. I should like to look at this forthcoming visit in connection with another visit, the one that was made to Thailand. I do not want to go back too far into the past. Instead of talking about old established relations, I should like to talk about new relations. Just take a look at the situation of a country like New Zealand, which we are told has had to make considerable sacrifices, with Thailand, one of the poorest countries in the world. The fact that, as a result of the Common Agricultural Policy, Thailand is forced to export, for instance, less tapioca to the Community, is something

which — and I should like to make this point extremely forcefully on behalf of my group — we are also very concerned about.

When it comes to questions of imports and exports, and the Common Agricultural Policy, we should not simply look to old-established relations. We must take a balanced view of things. Of course, we must take the interests of New Zealand fully into account, but the same goes for those other countries which are in a more difficult position than New Zealand. That was just a point I wanted to make at the end of this debate, Mr President.

**President.** — I note that no one else wishes to speak.

The motion for a resolution and the amendments which have been tabled will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

**12. Agenda**

**President.** — As there are still 17 items on the agenda, we are bound to need an evening sitting. We shall suspend the sitting at 8 p.m. and it will be resumed at 9 p.m.

May I ask the Members who are down to speak on the remaining items to be brief.

**13. Seminar held by the Committee on Agriculture at Echternach — Review of the common agricultural policy**

**President.** — The next item is the joint debate on

— the report (Doc. 128/79), drawn up by Mr Caillavet on behalf of the Committee on Agriculture, on the conclusions to be drawn from the seminar held by the Committee on Agriculture at Echternach;

— the motion for a resolution (Doc. 155/79), tabled by Mr Fellermaier and Mr Pisani on behalf of the Socialist Group, on the review of the common agricultural policy.

I call Mr Caillavet.

**Mr Caillavet, rapporteur.** — *(F)* Mr President, in this matter I represent the committee not in my capacity as chairman but as rapporteur. At the seminar at Echternach we collected various materials as the result of our joint observations and tried to draw up a list of points upon which we agreed or disagreed; then, on the basis of a draft report, the Committee on Agriculture — under my chairmanship — debated all the proposals which had been worked out. Amendments were tabled and votes were taken, some by a large majority, others however with significant dissenting minorities; we thought that we ought to include those amendments which were rejected in a minority report incorporated in our report.

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This is just to give some idea of the scope of our collective consideration of these matters. Today I am to give you the majority opinion of our committee on a very detailed report which has been distributed to you and which, as it deals mainly with agriculture and Community agricultural policy, deserves a few brief remarks now.

It was felt that there was a need to reorganize the common agricultural policy. Why? Because there are still serious imbalances — as Mr Gundelach has admitted — in certain sectors, and because the situation is rather difficult from the income point of view for farmers producing certain kinds of produce. And of course we also have to guarantee reasonable prices for consumers as a whole.

The Committee on Agriculture therefore recognizes the positive role played by the common agricultural policy and notes that many barriers to free intra-Community-trade have been eliminated and that there has been an increase in efficiency, to the benefit of both producers and consumers. Consequently it is my duty to say in this report that we must respect the fundamental principles of the Community agricultural policy, namely the unity of the market, the common prices and the Community preferences.

Nevertheless the Committee regretted that the CAP has not always resulted in balanced development and that sometimes it has failed to achieve all the social objectives it was designed to achieve. All in all, what was the final result of our discussions at Echternach?

Firstly, that regional income disparities have widened. We saw that the standard of living of some was rising faster than that of others, and that the large-scale farmers were getting richer faster, whereas the smaller family farms had been somewhat neglected. We also saw that some products from the south of Europe, unlike certain staple products from the north, did not enjoy price guarantees.

Consequently, there was a large majority in the Committee on Agriculture who, looking at things from the point of view of regional solidarity, considered that price guarantees should be granted to Mediterranean products — particularly fruit, vegetables and wine — similar to those applied in northern Europe for the principle cereal, milk and meat products. And we noted that price policy alone was not enough to ensure an equitable distribution of agricultural incomes and a balance between supply and demand. Meanwhile, the accumulation of surplus stocks — which is something we were talking about just now — is proving financially ruinous and is dangerously undermining the Community agricultural policy.

We therefore naturally agreed that the CAP should be part of an overall Community policy — and in this we have followed Mr Dewulf's recommendations — consisting of a commercial strategy based on produc-

tion targets, since it is not enough to be self-sufficient: in order that Europe's agricultural potential may be fully realized, we must turn our attentions consciously towards exports. Here again, we thought that importing substitute products caused the creation of surpluses. We took the example of manioc — which Mr Gundelach is well acquainted with after his recent visit to Thailand — which is providing serious competition for feed-grains, particularly barley, and consequently accounts for a significant proportion of total refunds.

This being the case, we have been obliged to make certain remarks which are taken up in the report. And why have we made these remarks, Mr Gundelach? Precisely because the CAP is mainly based on price policy, and 64% of the EAGGF appropriations are used, as is well known, to guarantee prices. Now the effect of the intervention mechanisms has been, as we have seen, to encourage producers to increase production in order to maintain their level of income. This is something we have discussed with you, Mr Gundelach. The fact is that most of us fear that the co-responsibility levy on milk only tends to increase the production of milk, as the producers hope to be able to compensate for having to pay this charge by increasing their income.

It was therefore apparent that regional safeguards for rural planning called for the development of the food-processing industry. Consequently we readily accepted that agricultural aid should be put on a different footing and made independent of the level of production: either there should be price support or there should be quota arrangements.

However, as a natural corollary of this new policy, producers must of course adapt their production methods to the objectives, i.e. to the needs of the internal market. One principle was accepted — and I would draw your attention to this Mr Gundelach: rather than incurring extremely high costs for storing surplus products, we ought to support farmer's incomes. Let me explain: the fact is that the Committee thinks that, rather than continuing to follow a policy of storage, we ought to look closely at a system of subsidies to the incomes for products — products for which, for example, the degree of self-sufficiency within the Community is low, or else of which consumption is limited because prices are too high, or alternatively for products for which demand is likely to increase, while at the same time we should also be encouraging certain products which do not exist within the Community at present; we thought particularly of soya beans and long-grained rice. Here we have courses of action of which you are well aware.

In a word, ladies and gentlemen, we think that the agricultural policy, as a factor in economic and social equilibrium, should be reviewed along the lines I have just briefly indicated.

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Now for my second main point: we considered by a large majority that structural policy should be drawn up and developed in order to eliminate the existing excessive disparities between the different regions. We are aiming at something both audacious and realistic. On this point we are agreed that the financial resources of the EAGGF Guidance Section should be increased. Here again, I shall be quite specific: this financing should partly take over from the efforts you are making on guarantees, at the risk of 'overloading the ship', that is to say, having recourse to new taxes. But we consider that the Guidance Section of the EAGGF is the 'Cinderella' of the agricultural policy, and that we can only tackle some of the difficulties confronting us by modifying the structures. Some of my colleagues have postulated the creation of a European Rural Fund and they think that this fund should consist of the EAGGF Guidance Section, the Regional-Fund and the Social Fund together. But whatever means we decide upon, ladies and gentlemen, we consider that it is more than ever indispensable to harmonize agricultural policy by coordinated planning at Community level. One of the members of the committee remarked, rightly, that Community projects could or ought, as the case may be, to be financed to the extent of 60, 70, 80, or 85 % by the Community, since they were of benefit to the Community as a whole. These are the main remarks I wanted to make on this second point. Nevertheless, I am obliged, Mr Gundelach to make two remarks apropos the reinforcement of the EAGGF Guarantee Section. The majority opinion in our committee is that the structural policy to which we are committed should not, needless to say, aggravate surpluses or treat any particular type of farming more favourably than others. And this agricultural policy even presupposes, in our opinion, a new form of land policy: it is vital that there should be more flexibility with regard to the acquisition of land, because land is a tool, and those who work on the land should be fully enabled to acquire it. For this reason we also thought that, if we are to prevent the flight from the land and keep the best people on it, we ought to encourage purely voluntary producer groups, without which it will be extremely difficult to carry out any harmonization, and also encourage the development of food-processing industries, not just in peripheral areas but also in production regions, so as to produce an almost immediate creation of new wealth for the workforce and to develop as far as possible a genuine division of labour. At the same time this agricultural innovation should be accompanied by harmonization of national or Community investment. Let me take a simple example: what conclusion did we come to about sugar? Firstly we decided that we were in surplus. Now this is the case in spite of the fact that, a few years ago, there was a shortage which led the Commission, and then the Council to make investments in isoglucose. So isoglucose is now competing with traditional sugar. But at the same time, under the Lomé

agreements, we have entered into certain undertakings with regard to the ACP states, and so we are obliged to import surplus sugar from these states. If this were all we were doing wrong, it is possible that we may reach some kind of equilibrium. But at the same time, in order to help our home industries, we have sold factories on a turnkey basis to Kenya, to Cameroon and to Morocco. Henceforward, starting perhaps in 1980, we shall also have to allow for some sugar production coming from these regions, which will complicate further the task to which you have addressed yourselves. This being the case, we feel there must be a Community policy on investments in order to avoid the various inconsistencies I have just mentioned.

I should also like to remind you briefly that our Committee has proposed a policy with regard to the developing countries and the industrialized countries.

As far as the developing countries are concerned, we thought that the potential of the Community ought to be fully exploited, particularly at the level of agricultural production, in order to remedy as far as possible the shortage of food which afflicts, regrettably, too many people in the world today. I would hope that this will be our chance to reopen the North-South Dialogue and perhaps restructure the ACP agreements; it is in fact quite obvious that the enlargement of the Community and consequent arrival of new areas of production which will compete with those we already have will raise new problems for the whole economic and trade structure of the Community.

As regards the industrialized countries, we were struck by one figure: though the Community alone accounts for 42 % of world trade, it is still very dependent on international trade. It therefore seemed to us, once again, obvious that we ought to have a cohesive Community trade policy, particularly with regard to the United States, a country with huge markets! In the argument put forward in support of our report, we are not afraid to denounce American protectionism. One figure alone speaks volumes: in 1977 agricultural imports from the United States amounted to 5 920 000 000 EUA, whereas Community exports came to little more than 1 563 000 000 EUA. What is more, this American protectionism has been aggravated by the weakness of the dollar. This being the case, we know that new negotiations will take place within GATT, and we in the Committee on Agriculture considered that it was not reasonable that soya, in particular, would be zero-rated in the Community thereby jeopardizing a genuine equilibrium in which you have as great an interest as ourselves and which is nevertheless still far from perfect.

By the same token, we were of the opinion that, for lack of a cohesive overall Community trade policy, we could not cope with the current rate of imports and

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yet would have to put up with more, particularly in the field of vegetable fats, since margarine is competing against both milk and butter.

It was at that stage that our Committee decided more or less unanimously that it was a matter of urgency to modify this policy profoundly, because the refunds which we are obliged to grant when we import soya or vegetable fats and proteins from outside the Community are bound to weigh upon the budget. This, ladies and gentlemen, is what we considered to be the heart of the matter.

In my report I have also drawn attention to a number of points relating to procedure which ought to be introduced. In particular, we should like to have the right to listen to minority reports and to refuse to give you our opinion when you do not give us time to think matters over; we should even like the right to halt the decision-making process in those cases where we had not enough time for due reflection and, if need be, to take matters to the Court of Justice if the proper consultation procedure had not been respected. In a word, we do not wish to provide the Commission with an alibi, nor for that matter, the Council, nor do we wish to act simply as the foil of these two institutions. We want a continuous dialogue and democratic discussion with the Parliament that is to be elected on 10 June. I think I can say, without sticking my neck out, that I shall once more take my seat in this Assembly after those elections. Once the Parliament has been elected by universal suffrage, the Commission, like the Council of Ministers, will be obliged to take note of what the elected representatives of the countries that make up this Community have to say. Such is, Mr President, the import of the conclusions which it was my duty to put to you on behalf of the committee which I have the honour to chair.

**President.** — I call Mr Pisani.

**Mr Pisani.** — (*F*) Apart from the monetary disorder, whose adverse effects on the Community's agricultural equilibrium can never be emphasized enough, a number of new factors have arisen since the Common Agricultural Policy was conceived. This will be the first point I shall deal with in my speech. In the face of these factors the CAP has, for reasons which I shall go into in my second point, appeared to be relatively inflexible. My third point will be an attempt to describe the prospects of and the methods for updating the CAP.

Many things have in fact changed since 1961. Then, the Community had problems with its supply of basic foodstuffs, whereas now most of these foodstuffs are in surplus. In agriculture, the number of workers and number of holdings might have appeared, and indeed did appear, to exceed requirements, while on top of that the Community's industrial development was

creating a demand for labour which industry could employ satisfactorily. Since then, we have been faced with unemployment, and every agricultural worker who leaves the land is a potential unemployed person moving to the town.

Thirdly, we are now witnessing the energy shortage in the Community and the difficulty which the Community has in producing its own raw materials, with the result that, of all the continents threatened by the present crisis, Europe is perhaps the most seriously threatened. And yet — and I shall be as concise as possible — the CAP has remained more or less what it always was. It would be interesting to see how little effect the Commission's proposals have had as a result of procedures becoming more and more inflexible, the unanimity rule being improperly invoked, the paralysis which has gradually extended its grip and the increasingly nationalist attitude of the various governments. While the world was changing and the Community was changing, the Common Agricultural Policy was incapable of adapting itself to change. What we must ask ourselves is whether the time has come to rethink the whole thing, and if so with what aims and by what methods.

I think that one of the first aims which the Community must set itself is incontestably to progress further than it has done and to devise other policies besides the Common Agricultural Policy, which is subject to attack because it stands alone. Let us make no mistake about it, the financial burden on the Community and its budget resulting from the CAP is in itself an argument both against the Community and against the CAP. Everything must be done to avoid any increase in the cost of the CAP, since any such increase would detract from the Community's credibility in certain countries.

Secondly, within the agricultural budget, the cost of the market organizations takes up so many appropriations that it is difficult to launch any other projects. This being so, it is essential for us to see our way to establishing a different balance within this expenditure incurred on intervention on products and intervention on production systems.

Let us now turn to an analysis of the mechanisms which might be adopted with regard to products. If I touch very briefly on a number of points, it is because I basically agree with what Mr Caillavet has just said and with what I have read in his report, even if there are a few points on which I do not share his view. What are the main elements in the organization of markets which we might arrange differently in future?

Firstly, I think it is absurd to want to keep the same system of guarantees for all products, and the Caillavet report puts this very well indeed. But I shall go a little further by explaining our idea in greater detail.

**Pisani**

First of all there are world market products which are in practically unlimited demand; these are mainly cereals, sugar and oleaginous plants. It is absolutely essential for us to promote increased production of these items, since the world needs them and there will be millions starving by the end of the century. But there must also be a price system with progressions and absorption taxes to allow for production costs and to ensure that the cost price to the Community of the last hundredweight collected is as near as possible to the world price. If we adopted this rule, we would no longer be showing favouritism towards the large regions and large holdings and would be taking account of the population role played by agriculture, as I mentioned a moment ago when speaking about employment.

There is a second category which includes processed products, with the possible exception of butter. These processed products have increasingly become products processed from imported animal feedingstuffs, and if the progression and absorption tax rules I mentioned a moment ago were applied to most of them, the industrial concentration which has hitherto been promoted would be slowed down to allow for the objective needs of the Community with regard both to trade balance and to population.

As for the remaining products — i.e. products such as wine, fruit and vegetables and possibly butter — the market for them is not world-wide, and thus any surplus is a virtually insoluble problem. We must devise a guarantee system to make sure that supply is geared to demand by penalizing structural surpluses. But this can only be done if a satisfactory level of income has already been established for farmers producing quantities adapted to actual requirements.

I should now like to end by saying a few words on the procedure. First of all I must stress how important it is and must be to step up research considerably on agriculture and on the finding of new substitute products, and this is why I just stressed our energy shortfall. Agriculture must from now on be considered as a potential source of certain types of energy and of certain raw materials which the Community needs. I am afraid there is not enough time for me to go into a whole range of positive suggestions on this matter. With regard to the procedure, I think that, although the method of tackling the problem aspect by aspect, budget by budget and problem by problem enables us to cope with emergencies, it does not enable us to redefine agriculture. I think that the Community must, in a conference similar to that held at Stresa, allow itself a period for creative reflection to enable it to devise a new agricultural policy bearing all the hallmarks of the first, but adapted to present conditions. The idea is not at all to question the basic principles of the CAP, but only to challenge the way it is put into practice and to adapt it to a changing world by

marking sure that the machinery which is set up enables it to adapt without at the same time running the risk of major difficulties and excessive tensions. This is the purpose of the motion for a resolution we have tabled, which follows on from the Caillavet report in both the thinking behind it and the procedure it proposes.

*(Applause)*

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, I am grateful to Mr Caillavet for the initiative taken by the Committee on Agriculture, and for his report. I am also grateful to Mr Fellermaier and Mr Pisani for their contribution. I would like to try to answer them, not by going through the resolutions in detail, but bearing in mind the points raised in the two papers.

This Parliament, the Parliament of Europe, is about to face a most exciting challenge. Voters in the forthcoming elections will expect their representatives to play an important part in policy-making. But any enlargement of Parliament's role will require effort and vision on the part of Parliament itself. It will, in particular, have to weld itself into a truly European institution, and develop procedures to present its views in the most effective way.

This initiative by the Committee on Agriculture may prove an important element in meeting this challenge. Anyone who, like me, wants the Parliament to enlarge its role will welcome it.

I have always held to the view that, even before direct elections, this Parliament merits the fullest consideration. As you know, Mr President, I have gone to the Committee on Agriculture as often as was necessary to explain and defend important policy initiatives, whether for the short or the longer term. I have sought to establish procedures so that my staff and the committee could cooperate closely. I am ready to provide further help. I would be quite prepared, for example, to make my personal staff and myself available to give evidence to anybody the Parliament would wish to appoint, and naturally to the Committee on Agriculture. It is essential that Parliament should be able to gather views on particular questions as widely as possible. Only in this way can it be sure that it is representing a truly European view and not the views of particular Member States or especially well organized groups.

I take very fully the point made by Mr Pisani, that one of the things that have changed in this Community over the last few years is that the national element, which will always be there and always has been there, has got the upper hand. If the newly-elected Parliament only wishes to be a reflection of party strife or national conflicts, then it will miss the boat. If, however, it can counteract the nationalism in the



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Council, it will create an important role for itself in the decision-making of this Community in the future. It is here, in this Parliament, that changes in our policies should be worked out, rather than in more formal conferences — not that I am necessarily against the latter, for we can obtain useful advice from outside people. In the end those who carry the political responsibility must also be seen to carry it; they must not push it on to someone else.

I am convinced, as is the committee, that this development must be the prerequisite to other role it puts forward. To speak, for example, of refusing to give an opinion in order to block the passage of a proposal sounds reasonable; but it is only reasonable if this is done in a truly European interest. Such heavy guns should only be used when fully justified: if not, the power that the Parliament has will diminish rather than grow; people will think that you are trouble-makers instead of responsible people, and that would be a tragedy. My reaction to this part of the report is therefore clear-cut. We must develop the role of the Parliament as a truly European institution. I am already taking steps to ensure close cooperation between my services and the Committee on Agriculture; I am ready to go as far as necessary. The Parliament has a powerful armoury, but it should only use it in the defence of its wholly European interests.

On other points in the committee's motion, my reaction is more ambivalent. It advances the idea, for example, that Parliament should be represented at meetings of the Council's Special Agricultural Committee, which is a matter for the Council; or that it should be associated with international negotiations. These may be controversial ideas. My feeling here, and it is only a feeling at this stage, is that there is little to be gained by increasing the overlap between the institution in this way. We may all want greater efficiency and greater accountability in Community affairs; that means greater democratic control of the executive, but it is by no means certain that this can be gained by an increased overlap between the institutions.

Another certainly controversial point raised by the committee concerns the appointment of Commissioners, the committee proposing that the Parliament should be given a say. Here again my reaction is that this goes a long way beyond matters of agricultural policy. My advice at this stage is: Do not overload the boat. Perhaps it is better to concentrate first on developing Parliament as a truly European institution. But that is not to say — and this is a personal view, even if a Commissioner should not have a personal view, or at least should not express it, but perhaps on this philosophical matter I may be permitted to express a personal view — that this would not eventually be the right solution.

The forthcoming election will fill this Chamber with MPs directly responsible to their electorate for

Community, as opposed to national, affairs. Many of the Members with whom I have worked closely over the last six or seven years will not be coming back. I say to them now that I am grateful for the work we have been able to do together, and to those who do come back, that they will face the most enormous task. I wish them success; or rather, I wish us success.

The future role of the Committee on Agriculture and the Parliament is, however, only one part of the present motions for resolutions. The rest concerns the future shape of the common agricultural policy and the necessity for change. Here again, there are points of agreement and disagreement between us. Perhaps I can pick out some of the more important ones.

One thing, I would like to make clear right away, because it is evidently clear to the author of neither motion, is that the common agricultural policy as an institution is not in danger, because it is a fundamental element of European construction and it cannot be taken away. It is indispensable for equity between the constituent parts of the Community, it is necessary for free trade in the industry and for a number of other things; it is a permanent feature — a foundationstone of the Community.

Secondly, you point in particular, Mr Pisani, to changing circumstances inside and outside the Community and you say the common agricultural policy has not changed. There I disagree. It has changed: not enough but it is changing right here before your very eyes, yet adapting itself to the new realities inside and outside the Community. It is doing so in the one democratic and evolutionary way which befits a democratic Europe. Revolutionary spasms are not what we are seeking; a continued process of evolution adapting to change, is what we want.

The committee quite rightly highlights the problem of widening disparities between farm incomes in rich and poor regions. The structural measures of 1972 were insufficient to tackle the problem. It then goes on to say that the way to tackle the income problem of producers in the Mediterranean regions is to strengthen existing guarantees for fruit, vegetables and wine.

We have been through this argument before, when we discussed the action we are taking to help Mediterranean regions. This package was supported in this Chamber: it represents a major initiative, and is working damned well. For the first time, resources are being pumped into a poorer area in coordinated fashion not as a hand-out, but as an investment in farming, in processing and in marketing. The whole idea is to bring about the conditions in which producers can gain a bigger share of an expanding market. Market expansion is, after all, the only key to a secure future.

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I am absolutely convinced — and elsewhere in the report this approach is applauded — that the way to tackle regional income problems is through regional packages, not just through market support. If these regions are ever to achieve an economic transformation, they require a transfer of resources of a size and of an immediacy that could never be gained through higher prices. The Mediterranean package symbolizes the creation of a new and powerful instrument for the common agricultural policy. One of the first jobs of the elected Parliament will be to discuss the next application of this instrument — the new Commission's structural proposal, which constitutes a clear change of direction in the CAP, often sought in this House, though less popular with the authorities of better-to-do areas of the Community — an attitude we must jointly get them to change. There are some people, fortunately, however, not in this Chamber, who regard regional aids as a discrimination against the better-off regions. There are even some who claim that they go against the spirit of the Treaty. My view is that this is rubbish. Community solidarity demands that we take these measures, and the Community can only live by solidarity.

When one sets this regional approach to agricultural poverty alongside the changes we have put forward to strengthen the 1972 directives and make them more flexible, and the scheme of aids for less favoured areas, it is clear that structural policy is developing strongly. The lessons of the past are being embodied in the policy of the future. Chief among these is that poorer farmers do not benefit from price increases: they need special help in the form of major transfers of resources. Better price guarantees and higher prices for fruit, vegetables and wine may look good, but they are not really the answer.

The development of structural policy does not, however, mean that the agricultural price policy ceases to be crucial. It has, and must go on having, a key role. It is central to the achievement of balance between supply and demand on agricultural markets. Market forces have not disappeared, and cannot be made to disappear by words. It is of essential importance for taking into account the legitimate interests of consumers as well as producers. Furthermore, it is given a key role in agricultural policy in the Treaty itself.

In holding to this view, I thought I could count on the support of the Committee on Agriculture and of this Parliament: of the Committee on Agriculture, because it wants to stand by the principles of the unity of the market and common prices, of financial solidarity and of Community preference, and an effective agricultural prices and markets policy is essential if these principles are to be protected; of Parliament, because its report on this year's agricultural price proposal urged that price policy be given back its key role

in the organization of markets. I say 'thought', because in this motion by the chairman of the Committee on Agriculture, the committee puts its faith in short, medium and long-term production targets as a way of preventing structural surpluses. It also calls for a short, medium and long-term commercial strategy, but perhaps we can come to that in a minute.

Here I do not think that the committee gives sufficient credit for developments over the last two or three years. It gives the impression that the Commission is stumbling blindly along the road it has followed in the past; that it is content to survive today and gives no thought to tomorrow. This view is not quite in accordance with fact.

One of the attractions of production plans is that they contain forecasts. But the Commission is already forecasting for the short, medium and long term. Look at our price proposals for the last two years, and you will see forecasts for each year up to 1985. Look at last September's milk document. We generate other forecasts for market management, for negotiations within international bodies and so on. Such forecasts are essential for all policy-making. At the same time, however, one must retain a sense of proportion and reality. We have to admit that these forecasts can never be precisely correct. They can only indicate probabilities, and this is the truer the further one looks into the future. Last year's forecasts for cereals and milk understated the eventual outcome. We cannot forecast the weather: we cannot forecast the evolution of national currencies amongst ourselves and in other places in the world. Consequently we must be cautious. No one possesses the sort of forecasts that are necessary for really viable production plans. But my objections to this idea — that is, 'plans', not forecasts or maybe even targets — go further and are based on several other factors. I am suspicious of them and feel it is all too easy for production targets to turn into quotas. Production targets mean planning, and I believe that many of our present problems are caused by the fact that we already over-interfere in the agricultural economy. More interference would be inevitable, since production targets are meaningless if there are no controls to back them up, as opposed to economic and social policies, which are adjusted in the light of, among other things, forecasts.

My fundamental objection is that this line of approach concentrates exclusively on the supply side of our markets. It leads to quarrels about taking land out of agriculture, quarrels which do not amount to anything useful as long as demand is not being fully exploited.

The committee also infers that we lack a commercial strategy for agriculture, and that this plays a part in the build-up of surpluses. All I ask the Parliament to do on this question is to look at the evidence — the statistics. Last year the Community was a net exporter of a whole range of milk products: butter, cheese,

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skimmed-milk powder, and whole milk. The Community was a net exporter of sugar. We were exporters of wine. These exports did not just happen: they were the result of a careful and yet vigorous commercial strategy. It is true that this strategy is not written down and published in advance. But you must accept that this is impossible if our marketing is to be efficient. Take cereals: we export when world market prices are high and hold back when they are low so as to make the best possible use of taxpayers' money. World markets are competitive. If we were to announce today that we were selling 200 000 tonnes of cereals in a month's time or in a year's time, prices would fall and our export refunds would need to be bigger.

No, we must approach these markets in a businesslike way and make sure that we get the best possible value for taxpayer's money. The figures show that is what we are doing regularly in the milk and sugar sectors, and for a whole host of other products: wine, barley, other cereals, eggs, ham, chickenmeat and so on. In fact we are only consistent net importers of some feed grains, including soya, and of beef to a limited extent. The big surplus which the United States has with the Community in agriculture, to which the chairman of the Committee on Agriculture quite correctly drew attention, is largely due to the increasing imports of feedingstuffs from the United States, in particular soya, which constitutes one of the most serious problems of equilibrium in the common agricultural policy. The increase in surpluses in the dairy field is naturally not a haphazard phenomenon, it is an increase in production which is brought about by the fact that economic circumstances are on the whole — not in every region, but on the whole — too favourable.

Do not tell me that milk production or any other line of production goes up when prices go down and that production becomes less attractive, or even causes losses. The economic reality is the opposite. Milk production has increased because it has become economically too attractive. One of the reasons it has become too attractive is that milk can be produced on the basis of soya, and soya has become too cheap — among other things because the dollar has fallen — and we shall never come to a solution of our problems of equilibrium in the markets before we can make good the error which was committed by the old Community of the Six in regard to the treaty rights they gave, among others, to the United States for the import of soya.

It was with a view to being able to look upon international trade in agriculture, not just from a legal point of view and subject to the rules of GATT, but in a broader and more systematic way that I suggested, in the multilateral trade negotiations, the creation of a proper forum for this purpose and finally obtained the

agreement of our trading partners on this proposal, though with greater difficulty than that of the Member States. This will lead to the creation of a forum which will enable us at long last to tackle such problems as the conflicting demands of our trading partners to keep our doors open for increased imports of fodder while at the same time lowering our animal production in order to preserve their traditional markets. One obviously cannot do both things at the same time. A different balance has to be found. Therefore the great importance of these multilateral trade negotiations. They were all right as far as mutual concessions were concerned. We gave some cheese to New Zealand but we got more cheese out of it from the United States, so we shall to some extent be amending the trade imbalance with that country. We got other cheese concessions in other places as well as other agricultural concessions. We did pretty well. But that is not the important point. The important thing is that for the first time in the life of the common agricultural policy we have moved the international discussions away from trench warfare into a situation where, although criticism persists, we can collaborate. As I am sure you will agree and as Mr Pisani pointed at, we must face the fact that the world will be short of food: not of butter but of grain and a number of other commodities. Our task is to be sufficiently flexible to bring about a production pattern which secures the continued employment of our resources, including our manpower, but nonetheless enables us to avoid the excessive use of economic means for the production of goods for which there is no market other than the intervention store. That constitutes an indefensible loss. This does not mean that it is indefensible to pay money to agriculture.

I agree with Mr Pisani that it causes problems in some of our constituencies if expenditure is too high and that we must watch it. But I put the counter argument that if the type of Community agriculture we want is one which is to a large extent centred on the so-called family sized farm which does not lead to a dramatic exodus of farmers from the land to join the ranks of the unemployed in the already difficult urban districts, this is going to cost money. I would also like to put it to you that if we did not use the money for the maintenance of an effective agriculture on the basis of family-sized farms, and adopted an industrial agricultural policy, which would be possible and would make us just as efficient in certain production areas as the most efficient producers in the world, we should have a further two or three million unemployed without any chance of employment in the future according to the current economic forecasts. The social charges also in terms of budgetary charges, would be almost as heavy.

I think therefore that one can reasonably and with a good conscience defend a costly agricultural policy provided one is not forced, as is unfortunately the situ-

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ation at the moment, to defend an agricultural budget which involves many hundreds of millions of units of account spent on the buying and storing of goods like milk and milk products. There are not many others. Sugar is the only other possible instance. The wine lakes do not really exist. The stocks of wine at the end of the year are mostly commercial stocks. It is milk that causes the problem. Neither I nor this Parliament can justify the expenditure of hundreds of millions of units of account to the public. It is the taxpayer who has to pay for the transfer of funds to agriculture, and you are asking for seven more transfers. You are even asking for income support policies, which, I agree, have been implemented in certain instances on condition they are kept within reasonable limits and confined to certain specific regions for specific purposes. Otherwise the cost would be far too high. But if we keep the cost within limits which we can explain, then we may still be able to satisfy the taxpayer.

But if the abuses which are taking place in some sectors, in particular in the milk sector, continue, then it will become increasingly difficult and in the end impossible to sell this to the tax-payer. Therefore, instead of saying change the policy — we are in the process of doing so — we should attempt to find the political will to carry out what we have already proposed and for which we have already secured a good measure of support in this Parliament.

Returning to the report for a moment, I am worried, not so much about the attack on the United States but by a certain inconsistency on one page where it says that we are not in favour of using in agriculture the concept of division of labour. Well, I am in favour of it, subject to the specific supports and safeguards which we are discussing. And if one is, then one can attack the United States for being too protectionist in certain areas. If one rejects the concept of the division of labour oneself, one cannot very well criticize someone else for doing the same thing. I do not like this inconsistency, because it makes it difficult for us in our relations with other parts of the world which, as I said, have adopted a more positive attitude than in the past.

I think the greatest change which has to be brought about is to realize the need for greater flexibility within the common agricultural policy. When there is a structural problem in one region, we should try to solve that structural problem in that region without passing a directive applicable to every other region of the Community. If there is a commodity problem which can better be solved in one specific way because it is different from all other commodities, we should not be deterred by the argument that because we are not doing that for any other products we should not do it here.

Flexibility is needed to take into account the social and income needs of the farmers to the extent necessary to avoid an exodus from the land, but it must not lead to an intolerable increase in consumer prices by causing inflation, or affect the level of consumption.

For example, the aids we have introduced for some vegetables in our Mediterranean policy have brought about a higher revenue for the farmers and better prices to the consumers at less cost to the taxpayer than the traditional way. The same applies to olive oil. This is basically what we are trying to do with the coresponsibility system for milk. Without that system we shall not have the political means of solving the one problem which must be solved in the common agricultural policy if we are to retain credibility in the eyes of the electors. I sometimes feel lonely in defending the budget of the common agricultural policy, since this House and the Council make many demands, but when it comes to calculating the budget, I usually confront the public alone. I am looking forward to a directly-elected parliament which will have to share that responsibility with me, and take the consequences of having that responsibility.

### 14. *Limitation of speaking time*

**President.** — It was decided on 12 February 1979 that when necessary the President could limit speaking time after 7 p.m. Speaking time will therefore be limited to five minutes.

### 15. *Seminar held by the Committee on Agriculture at Echternach — Review of the common agricultural policy (resumption)*

**President.** — The next item is the resumption of the joint debate on the Caillavet report (Doc. 128/79) and the Fellermaier and Pisani motion for a resolution (Doc. 155/79).

I call Mr Hoffmann to speak on behalf of the Socialist Group.

**Mr Hoffmann.** — (*D*) I shall try to finish in five minutes. I am sorry that on the last day but one we have a slight disagreement, but I feel that limits on speaking time are called for in view of the long evening before us. Mr President, I should like first of all to thank the chairman of our committee warmly for the work he has put into this long report. I think it is the first time in this Parliament that a report has devoted as much space even to minority opinions as this report by Mr Caillavet. I thank him and feel sure that the deliberations in committee were very correctly and very fairly conducted throughout.

## Hoffmann

I must briefly raise a point of order by asking why there are still amendments tabled to this report. As spokesman for the Socialist Group, I should just like to state that the whole group supports Mr Pisani's motion for a resolution. There would not really be any point in having a detailed discussion now if we could be sure that in tomorrow's voting each group's political opinion on amendments would also be clear cut. At the moment, however, this does not seem to be the case, and I hope that tomorrow some clarification will be forthcoming.

If I pick on individual points in the report, it is not with the intention of making a blanket condemnation of it. I would stress that it contains very many aspects on which we completely agree and which give a very thorough summary of agricultural problems. Therefore I should just like to take up very briefly a few points to show you that the directly elected Parliament will obviously have to pursue these points further because there are disagreements among us on them.

Firstly, the report demands the same or similar guarantees for the southern European regions as for the northern European countries. It is natural that the southern European countries should claim this. I appreciate that they have a right to receive at least the same amount of financial aid as the northern European countries. But I say at the same time that this cannot be done simply by extending the price system which we have today to those regions. I feel this would be a dangerous step because, as a result of the accession of new countries such as Greece, Spain and Portugal, the extension would be too cumbersome and in the wrong direction. I think that the directions indicated in structural sectors mean a better chance for the southern European countries as well, i.e. I do not disagree with priority for the south; I am only saying that it should not result only in the extension of this price system.

I shall touch only briefly on a second point, since it has already been dealt with. It concerns the question as to whether surpluses are the result of imports or are produced in the Community? The answer has already been given; they are partly produced in the Community and are naturally reinforced by other produce which we must import.

The third point is referred to in paragraph 13 of the report, which states that, to the extent that the price policy is used primarily to maintain the level of incomes, producers are compelled to step up their output at all costs in order to maintain their earnings. This applies to one specific sector, namely that of small farms, which are, as it were, barely managing to survive. But it does not apply at all to farms where earnings are particularly good, and therefore a clear distinction must naturally be made on these points.

I would say that whoever looks at it only from his angle is automatically induced to produce for intervention. But I know that I must differentiate here between small and large producers.

The fourth point concerns something which simply must be pointed out again. Paragraph 14 refers to excessive taxing of producers. This cannot be left unchanged. In many cases it is not true since farmers — for example in my country — are even considerably undertaxed. Taxation must therefore be adjusted.

As for the next point, paragraph 14b states that farmers are burdened by high capital expenditure. This is also correct, but only for particular small farms which have got into financial difficulties through over-mechanization.

This no longer applies at all to large-scale industrial farming concerns since they have a completely different cost structure as well as a completely different profit structure.

The next point concerns paragraph 17, which states that price freezes etc. are not effective. You can express general agreement or disagreement with this, but I can only say that while in the case of products in surplus a cautious price policy, which may also involve price freezing, may be perfectly sensible, no one in this House would say that we should have an overall price freeze at all costs, and that is not what we are asking for here.

A further point concerns the section on structural policy, where it is stated in paragraph 5 that every holding must have identical chances of development. I feel that this should at least be explained, since it must not be understood on the basis of the present situation. If you take holdings as they are today, of course you must give special help to economically weak ones and not spread everything nicely over all the others. I feel that this must be mentioned. I would just add that Mr Caillavet was not responsible for the unclear wording of the points I am raising; their contradictory nature was rather the outcome of the discussions in committee. It does not mean that they were contradictory in the same way in the original draft.

The next point, which seems to me the most important, concerns a contradiction in paragraph 46, where reference is made to the dangerous concepts of free trade and the myth of an international division of labour. This paragraph is in stark contradiction to what is contained in the report later — and this time correctly — in paragraphs 52 to 61, which state accurately, well and correctly what role we have to play in relation to the Third World, but this is diametrically opposed to what is meant in paragraph 46 by dangerous concepts of free trade and the myth of a new division of labour.

**Hoffmann**

Mr President, I think that my five minutes are almost up, so just let me end by saying one thing. I think the way in which Mr Gundelach put forward his views once again was perfectly right, and on behalf of the Socialist Group I support his view of a cautious price policy. But I point out to him emphatically that particularly in questions concerning consumers the Committee on Agriculture must also be allowed to play a far more important role in the decision-making process of this Parliament. Agricultural policy must go hand in hand with food policy and consumer policy, and only then will we have a uniform approach. Anything else would, in my view, favour one-sided interest and surely that cannot be what we are aiming at.

Since time is so short, I shall end by supporting what Mr Pisani said. Since this is probably the last speech which I have the honour of making in this House, I thank the Commissioner personally for his fair approach to this problem and I thank Mr Caillavet for the fair way in which he discussed it with us; at the same time I should not like to forget the Members of the committee, who in my view contributed greatly to ensuring that we got on together sensibly and well and at the same time that an excellent piece of work was produced.

On such occasions hardly any mention is ever made of the people behind the scenes, and so I should like to thank the interpreters and all the other colleagues and hope that this work, which has reached an important intermediate stage, can be carried on successfully by the new Parliament.

**President.** — I call Mr Tolman to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Tolman.** — (NL) Mr President, first of all I should like to offer Mr Caillavet my warmest congratulations on the considerable amount of work he has put into this report as chairman of the Committee on Agriculture.

My Group is of the opinion that Echternach could be a new beginning and could set the pattern for an annual reappraisal. This meeting was attended by two Ministers of Agriculture. I should like to express the hope that it will become customary for us to be able to have regular discussions, in some such framework, with the Ministers of Agriculture of the various Member States.

A further thread running through today's debate is that the agricultural policy costs money. This means in particular that there is a need to convince the taxpayer of the use and importance of agriculture. Time does not permit me to say much about this. It is above all, of course, because of the massive stocks that the agricultural policy costs money. On balance, I take

the view — as I said at the seminar — that if there was a shortage instead of surpluses then the policy we should have to follow would be much more expensive. We must have guarantees, we must have security. 260 million people in Europe have to be fed every day. Food supplies cannot be left to the vagaries of the world market. I think we should be giving rather more serious thought to this.

Thirdly, my Group is of the opinion that we need to pursue a more aggressive structural policy in agriculture. Of course, it is not possible to dissociate price policy from structural policy or *vice versa*: both are of great importance, but at the present time I should like to concentrate on structural policy, without looking primarily at the costs that involves. In my opinion there is still an appalling amount of room for improvement in the field of working conditions in the European Community. There are enormous differences between rich and poor. There are healthy, prosperous agricultural holdings and very poor areas, and agricultural policy must therefore concentrate above all on structural improvements.

We must not base this policy on mammoth sized holdings but on healthy family holdings, and we shall also have to try and ensure, as far as possible via a Community policy or in certain respects via national agricultural policy as well, that above all the big industrialists do not gain a hold, or not so much of a hold, on agricultural production.

My fourth point is that all this unavoidably involves us in questions of global policy. There is continuing controversy about imports of raw materials and exports of our products. I am thinking here in particular of the Lomé countries, which deserve our particular attention in matters concerning imports of raw materials and any possible restrictions. What are the dangers facing these countries here?

It is one of the difficult points about agricultural policy that if we want to make provision in all areas — thinking of today's debate, mention has been made of New Zealand, Thailand, the Third World, the Lomé countries — Europe must also be prepared to bear the consequences. The burden *vis-à-vis* the Third World and that of maintaining a balance between imports and exports cannot be shouldered one-sidedly by the European farmer. I have the impression that at the moment that is still too often the case.

I should like to address my last remark to my colleagues on the Socialist benches with regard to the request for urgent procedure. I found it surprising, and indeed deplorable, for this request to be made at this point, now that we have before us this important Caillavet report and the Howell report, which deals with fundamental agricultural questions.

**Tolman**

It is impossible to deal thoroughly with fundamental questions of agricultural policy by means of a short debate under urgent procedure. Perhaps this is an outflanking manoeuvre. When the Socialists should have been present at the important discussions we had in Brussels on price policy, they were not there. On that occasion they left the room. And, now that there is no need, now that it actually upsets the smooth order of things, they have put their oar in. Perhaps, Mr President, this is therefore an outflanking manoeuvre. I can make no further comment on this since the spokesmen who made the request for urgent procedure, Mr Pisani, is not in the Chamber. We shall naturally, however, be talking about this tomorrow, when we shall have to consider how to vote on it.

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

**Mr Corrie.** — Mr President, might I firstly congratulate Mr Caillavet on his very excellent report: it brings a breath of fresh air into this Chamber, because we have at long last started to look at the wider horizons of the Common Agricultural Policy.

I think the reason for the success of the seminar in Echternach was that we took time off to have an in-depth study of a specific problem. In committee we never really have that opportunity: we have far too many other things to do. I believe it is an excellent way to conduct our business and I hope an example for the future.

I think the second reason for the success of that seminar was the amount of honest speaking that was done by Members from all parties. No holds were barred; Members from different countries got a better understanding of each others' problems, and there was a lot of cross-party agreement at the end of our meeting.

Looking at the Echternach proposals, I can agree with something of what was said on behalf of my group but not all, and Mr Gundelach has in fact emphasized some of these points. Of course, we have to take a fresh look at the CAP and its operation. I have always hoped to hear the Commissioner shift his emphasis of direction before I left this Parliament, and tonight, perhaps, we have noticed a slight shift of emphasis in the way he is going.

I think we have to look at the whole agricultural system in a global way. There are a few basic points that we must work from. I still believe that we must reverse the trend of producing surpluses and then trying to get rid of them. We must see agriculture, as I said, globally and not fragmented, with each section trying to outdo the others. But we must do this without removing people from their farms, as Mr Gundelach said, and I still believe, having listened to his speech, that the only answer is direct income subsidies for smaller farmers paid out of the funds

used for intervention buying, in the hope that this fund will go down as less is bought into intervention. It is pointless to go on, again as the Commissioner said, producing an article that we cannot sell on the open market; but I do hope that Mr Gundelach is not suggesting we clamp down on efficient farms by pricing soya out of the market. Intervention prices should not encourage production. Reassessment is therefore required. The original CAP suited the Six, but it is totally distorted by the extra three members that came in, because we simply have not yet got a common agricultural policy. Some of the proposals from the Commission are, of course, excellent. One has to accept that the greater the support to the agricultural industry, the greater the production because of greater efficiency. Now, I am not suggesting that there should be a cut-back: I am suggesting there should be a better use of funds.

An interesting aside to the development schemes in Britain is that machinery dealers' yards are blocked solid with second-hand machinery which they simply cannot sell because grants are only paid on new equipment, and price-levels are now so high on second-hand equipment that many small farmers cannot afford to buy either the new equipment or the higher-priced second-hand stuff. I wonder if the Commission have had any thoughts about giving grants on second-hand tractors and implements. It is a sector that should be looked at and I would ask him to do so: there is no tax-relief for the smaller farmer, because he has not bought the new machine, and also no grant, because he has not bought the new machine. So the big farmer gets all the advantages and the small farmer is getting none.

I am pleased too to hear what Mr Gundelach said on regional policy, because I believe that to improve the situation further we should emphasize regional policy. We recognize, after all, that some types of agriculture are better suited to some regions than to others: cattle and sheep in the hills, dairy farming in the grass-growing areas, cereals in the drier areas. I believe, too, a system of differentiated prices for the same product could be paid in different regions, so that one gets the emphasis on the right product in the right region. And of course, we need to improve our transport infrastructure so that these products can be moved from region to region. Above all, we must get a more practical approach to the CAP and get away from the political — with a small 'p', Mr President — decisions that are being taken at the moment.

The Echternach seminar has, I hope, made a major contribution to the reconsideration of the CAP that must take place, and I hope this impetus will be carried forward in the new Parliament. I too would thank Mr Caillavet, on behalf of my group, for having chaired the Committee on Agriculture so well.

**President.** — I call Mr Christensen.

**Mr Christensen.** — (DK) Mr President, I do not intend to deal with the motion for a resolution tabled by Mr Fellermaier and Mr Pisani, since in my honest opinion it is completely devoid of any substance, but I do wish to address myself to Mr Caillavet's report which, as both Commissioner Gundelach and especially the spokesman for the Socialist Group have pointed out, is a scandalous collection of inconsistencies.

In the first place, there are references to surplus stocks and the breakdown of the price support system and both these major problems are dealt with quite adequately in the report. It is only regrettable that it does not draw the proper conclusions but, instead, wishes to extend this bankrupt price policy to other areas. It argues that southern countries, like those in the north, should be covered by this bankrupt price support policy. There is even talk of widening its scope, applying it on a world scale by means of GATT and similar arrangements and having world-wide guaranteed minimum prices for agricultural produce, there would even be world-wide produce agreements for corn, beef and veal, dairy products, vegetable oil and feedstuffs. Thus, in other words, it is concluded or observed that the price support features of the policy applied so far have generally been a failure but the intention nonetheless is to extend that policy to the southern regions of the Community.

However, this is not the only illogical feature of the report. Commissioner Gundelach and the Socialist spokesman also at one moment thunder against American protectionism in agriculture and, in the next breath refer to the myth of the international division of labour and similar reactionary protectionist claptrap. So this report also lacks consistency from the commercial policy point of view.

Obviously, the solution is to abandon the existing policy, but this report refuses to consider such an eventuality. I think Mr Gundelach at one point did say something important, to the effect that the mistake was perhaps that we over-interfere in the agricultural economy. I believe that that indeed is the root of the problem. I think we should move away from price support measures which, as is also pointed out in the report, result in overproduction because, if prices are fixed too low, then the farmers produce more once they are guaranteed minimum prices, and if they continue to produce in large quantities the income goes up accordingly. On the other hand, if prices are fixed at a high level, that again is an incitement to go on producing. It is therefore no solution to extend this policy within agriculture or to any other economic activity in the Community. Some questions are left unanswered. In paragraph 14 a) there are references to excessive taxation of capital equipment. What kind of nonsense is that?

What does it refer to? In the same paragraph there is a reference to taxation creating problems for transfers from one generation to another. What kind of taxation of capital equipment creates problems for transfers from one generation to another? No answer is provided. Paragraph 26 mentions a Community land policy. What Community land policy? There is no answer to this question either.

Thus, this report leaves a long string of unanswered questions while its inconsistencies scream to high heaven. The only place where there is a hint of liberalism — and here, it must be admitted, the text is clear — is in paragraph 54, which expresses a liberal attitude towards the developing countries. This is commendable and it is only right that mention should be made of those occasions when we find evidence of a progressive and friendly attitude to other countries, in this instance countries and trading areas outside the European Communities.

In conclusion, Mr President, I should like to say that I take the strongest exception to the idea of increased power for this Parliament or for other EEC institutions such as this report suggests and to which Mr Gundelach also referred when he said he was in favour of increased powers for Parliament. It is unfortunate that I should find myself in opposition to this idea because I am in favour of the national right of self-determination, but I also feel that the agricultural policy which has been implemented until now is a most eloquent argument against increasing Parliament's authority in this area, and I am thinking here both of this report and of the report from Mr Ligios which we considered during the previous sitting. I will therefore conclude, Mr President, by saying that I cannot support this report and that I must vote against both this report and the report from Mr Ligios which we dealt with in the previous sitting. I can therefore not support this report nor the motion for a resolution from Mr Pisani and Mr Fellermaier.

**President.** — I note that no one else wishes to speak.

The motion for a resolution and the amendments which have been tabled will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

The sitting will now be suspended until 9 p.m.

The House will rise.

*(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)*

IN THE CHAIR : MR HOLST

*Vice-President*

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



### 16. Regulation on the market in wine

**President.** — The next item is the debate on the report (Doc. 87/79) by Mr Pisoni on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine and Regulation (EEC) No 817/70 laying down special provisions relating to quality wine produced in specified regions

I have no speakers listed. The motion for a resolution will be put to the vote, together with the amendments tabled, at the beginning of tomorrow's sitting. The debate is closed.

### 17. Calculation of monetary compensatory amounts in the wine sector

**President.** — The next item is the debate on the report (Doc. 79/79) by Mr Hansen on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 970/71 with regard to the calculation of monetary compensatory amounts in the wine sector.

I call Mr Hughes.

**Mr Hughes, deputy rapporteur.** — Mr President, I wish to move it formally with no further comment.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

### 18. Regulation on isoglucose

**President.** — The next item is the debate on the report (Doc. 182/79) by Mr Tolman on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 1111/77 laying down common provisions for isoglucose

**Mr Tolman, rapporteur.** — (NL) Mr President, in view of the importance of the subject, I think that a few comments need to be appended to this report. Some time ago, a Community regulation was adopted on isoglucose. The purpose was to create equal conditions of competition for sugar and isoglucose. It now appears from a judgment by the Court of Justice that this regulation is invalid, which means that a modified temporary arrangement is needed pending the adoption of a permanent scheme from 30 June 1980. In my report I therefore give a short summary of this temporary measure. The intention is to establish production quotas for each manufacturer on a similar

basis to those applying to sugar producers. This involves introducing of basic quotas for each manufacturer's output, the reference period for this being the period from 1 November to 28 February or, in certain circumstances, a different period.

A new element in the Commission's proposal is that the Council can increase the basic quota by a maximum of 10 %. Furthermore, isoglucose produced in excess of the maximum quota cannot be offered on the Community market but must be exported on the world market. There is also to be a production levy on the so-called B production of isoglucose, which is similar to the production levy in the sugar sector.

Finally, the Commission makes a strong appeal to the Member States to eliminate discrimination with regard to the use of isoglucose by means of financial measures applying to saccharose and isoglucose.

I should just like to comment very briefly on the discussions that took place in the Committee on Agriculture. We all agree that a coherent Community policy had to come, and secondly we were very much aware that this measure was only to apply for a short time, which is why I should expressly like to make it clear that the same standards do not apply for future policy. We are thus in favour of the Commission proposal, but we would make two suggestions which reflect a different approach. The Committee on Agriculture rejects the fixing of maximum quotas in addition to the basic quota. I think this is quite right. There is no reason whatever to establish a B quota, and it seems to me that the powers that be in Brussels have probably made a mistake here. I can well imagine that for sugar-beet producers a B quota is important in view of the fluctuations that can arise in natural production, but for this industrial product that is clearly not the case. It is possible to produce precise quantities, and therefore a B quota is an unnatural device. The Committee on Agriculture was thus unanimous in rejecting it. Finally, the Commission proposes to raise the basic quota by 10 %. I do not think that is necessary, it may perhaps strengthen the starting position of the isoglucose manufacturers, but our concern — and that is the central point in this report — is as far as possible to create equal conditions.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, I wish to do everything possible to expedite matters so I shall take this opportunity of thanking Mr Tolman for his report and at the same time thanking all subsequent speakers so that I shall not have to repeat myself each time. I shall speak only when it is necessary for there are proposals before us which in all objectivity strike me as unacceptable.

**Gundelach**

In the matter we are considering the Committee on Agriculture approved the Commission's proposal but with two qualifications, one relating to the addition of a B-quota to the A-quota for isoglucose and the other relating to the 10 % levy.

Mr President, in drafting this proposal the Commission was not free to do what it thought would be politically and economically advisable given that there is nothing to be made out of the manufacture of isoglucose unless there is a scheme for sugar which guarantees a higher level of prices than would be the case without such a scheme. The production of isoglucose depends therefore on the existence of a scheme for sugar. However, such considerations could not serve as the basis for the proposed scheme which we were required to put forward, and which is to last only for a transitional period of approximately one year, since the Commission in the autumn is to submit a new proposal for a new sugar scheme for the forthcoming five-year period, when a specific solution will have to be found for the isoglucose problem. We had to find a substitute for the previous scheme which the Court of Justice found to be illegal in a ruling, the terms of which stated quite clearly why and also how the situation must be rectified in the short term. As a result this new scheme for isoglucose must be based on the same principles as those applied to sugar. We therefore proposed quotas, a proposal which was accepted, but we wanted a change in the amount of the levy.

As regards the establishment of quotas, the judgment of the Court requires us to apply the same principles as those which we applied when we drew up the quota system for sugar beet, i.e. an A and B-quota based on the results of a previous period. The A-quota is based on production in the previous period but it cannot be kept static in relation to what it was in the previous couple of years since sugar production would not have been dealt with in this way when the new arrangements for sugar were introduced in the Community in the early 70's. It is quite clear from the law that there must be room for some increase in production. The figures involved are in fact quite small, they amount to something corresponding to not more than 2 weeks' normal exports. However, we have to add a B-quota in order to comply with the ruling of the Court concerning provision for expansion and to provide some kind of compensation for the effect which the illegal levy may have had on production in the preceding one and a half to two years. If we do not make this change in the quotas we shall find that 14 days after the implementation of the scheme the Court will once again rule against us. That is a situation which I naturally cannot accept.

As regards the levy, it is quite clear that the Court has rejected the 10 UA. The levy we propose is to all intents and purposes that laid down by the decision of

the Court. Changes in this area would be possible only during a radical reorganisation of the entire sugar market, which is to be carried out this autumn or winter. Given the circumstances, we have really no choice in the matter but to adopt the proposal we have submitted which, as I have said does not represent the political and economic aspirations of the Commission but is the result of legal necessity.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

*19. Milk sector*

The next item is the joint debate on :

- report by Mr Howell on behalf of the Committee on Agriculture on the measures to be taken to improve the situation in the milk sector ;
- the report by Mr Nielsen on behalf of the Committee on Agriculture on the proposal from the Commission to the Council for a regulation on investment aid for the marketing and processing of milk products.

I call Mr Corrie.

**Mr Corrie, deputy rapporteur.** — Mr President, I was asked by Mr Howell to refer this document back to the committee, but as only the rapporteur himself or the chairman of the Committee on Agriculture can do that I will merely introduce it in a very few words.

Mr Howell, as you know, has fought a lone battle to persuade us that quotas are the answer to milk output. I for one do not believe that he is right, but he does feel that, if the present remedies do not work, we shall be forced in that direction anyway. Perhaps he is right in this ; the Commissioner would probably agree. I feel that would be disastrous for the large, efficient farms in the dairy industry and would be the death-knell of smaller farmers. His report is a minority one and has been much changed from its original drafting. However, I would simply move it formally and leave this House to vote on it when it comes forward tomorrow.

**President.** — I call Mr Brøndlund Nielsen.

**Mr Brøndlund Nielsen, rapporteur.** — (DK) I should like to make a couple of brief remarks about the report which I have produced. It is to be hoped that our eloquence here on the subject of food production will be as useful as if we had stayed at home on this fine evening and planted potatoes and thus actually produced food. But what we are concerned with here is the Commission's proposal, which aims to provide a basis for the cessation of all national aid for the processing and marketing of milk products, and it goes without saying that, as rapporteur for the Committee, I am very glad to lend my support to this

**Brøndlund Nielsen**

proposal from the Commission. It is a well known fact that the problems which have beset the Community's otherwise very successful agricultural policy are due to a considerable degree to the failure to run down national support systems sufficiently and thus allow the Common Market to function properly. The monetary effect of the implementation of the EMS and of its associated agreements represents a further step, even if only a short one, in the direction of that proper functioning. Therefore, we must hope that we can now take this extra step and dismantle national support systems. I shall not press the various arguments put forward by our Committee but merely urge you to support this motion for a resolution and I hope that it will lead to the suspension of national support systems.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, with reference to Mr Howell's report I should just like to say that I think that Mr Howell's solitary struggle has served the very useful purpose of demonstrating to us what the consequences will be if we do not in time — and that means now — take the necessary steps to limit milk production. When I speak of limiting milk production, I do not mean the actual production but production generally. The actual production should preferably be maintained for it will enable us to sell at more reasonable prices in the future and so increase consumption.

Mr Howell's ideas on quotas would only mean that the Council, after wrangling for months, would eventually set a quota that was too high, for that is the only point the Council could agree upon. Once agreement had been reached on quotas it would then be impossible to make any change in them and, since they would be fixed at too high a level, constant overproduction would be guaranteed. And once you have quotas, it will then be argued that we can increase prices in order to improve farmers' incomes and the farmer will no longer have any interest in increasing his productivity because he will have his quota and will be getting a guaranteed price, so he will not need to do anything more. We would have an overproduction far beyond what we have today and we would be moving towards a wrong use of resources which I think would sound the death knell of any sensible agricultural policy.

However, it is to Mr Howell's credit that he points out what will become of a sensible agricultural policy if we do not apply sensible economic measures in time. If we fail to do so, then we are heading for completely uncharted territory.

I am very grateful to Mr Nielsen for his kind support of our proposal to reduce the investment of public funds in a sector of overproduction. I fully agree with

him that certain national aids must be brought under control but we must not overlook the need to place limits on EEC aids to some sectors of overproduction, whether they are intended to improve the conditions of farmers, or to help develop new products or improve marketing arrangements. In any case, something must be done to restrict the use of EEC funds for it is indefensible that public funds should be used to support a sector with such a high level of overproduction.

**President.** — I have no more speakers listed. The motions for resolutions will be put to the vote, together with the amendments tabled, at the beginning of tomorrow's sitting.

The debate is closed.

**20. Fisheries and fish farming**

**President.** — The next item is the joint debate on :

- the report (Doc. 116/79) by Mr Corrie on behalf of the Committee on Agriculture, on measures to be adopted for the development of fish farming within the Community ;
- the report (Doc. 130/79) by Mr Lemp on behalf of the Committee on Agriculture on the proposals from the Commission to the Council for
  - I a regulation allocating catch quotas between Member States for vessels fishing in Faroese waters ;
  - II a regulation allocating certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone ;
  - III a regulation allocating catch quotas between Member States for vessels fishing in Swedish waters ;
  - IV a regulation laying down for the period 1 January to 31 December 1979 certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Isles ;
  - V a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Spain for the period 1 January to 31 December 1979.

I call Mr Corrie.

**Mr Corrie, rapporteur.** — Mr President, might I say two words on the Lemp report before I start? My group certainly does support that report. During the last part-session, we asked the Commission why on earth Norway had suddenly closed its grounds, having opened them up to Community fishermen ; I wonder if any progress has been made along that particular line.

I hope that the brevity of my remarks on my own report will not detract from its importance and the background work that has gone into it. This report on fish farming is a major attempt to put the marine and freshwater industry on the Community map. A great deal of work has gone into it, both on the practical

**Corrie**

aspects of studying fish-farming and meeting fishery experts in this field, and also on reading papers on the subject.

I have looked at fish-farming in Italy; in Venice they have specifically developed the golden-headed bream and promoted the commercial development of mussels. As far as bream are concerned, they are shutting off large sea lochs and putting the young fish out to grow there. I have looked at salmon-farming in Scotland, where they strip the adult fish, grow the young salmon in fresh water and then transfer them to cages in sea lochs. I think that it is in this area that there is tremendous potential, in the maritime peripheral regions where we have small crofts and small farmers that could boost their income by developing fish-farming, buying the salmon from the large concerns, putting them into cages in their own areas of sea and thus supplementing their income.

The biggest development, of course, has been in brown trout, which is now a viable commercial business throughout the European Community. I have looked at units throughout Europe; much research is going on, and there is a great need for coordination and cooperation in research within the Community. Much, too, in the growth of brown trout could be learned from Israel, where I went and studied fish-farming, both on the question of disease problems and feeding management. Much experimental work is also being done with species such as turbot and sole, using hot water from power-stations to improve water temperatures, thereby getting better growth-rates.

I have looked, too, at oyster cultivation outside the Community. It will not be long before we can buy oysters and chips, instead of fish and chips — that great British delicacy. Thus progress is being made in bringing luxury foods within the reach of all.

All this is a step in the right direction. I would thank the Commission for the work that they have done in this field up to now; much is still to be done, and one can only ask the Commission to create the right atmosphere so that it can continue. Fish-farming can only be complementary to the fishing industry, but its real potential must be in the maritime peripheral regions of the Community, where unemployment is at its worst. It is the sons of fishermen, rather than fishermen themselves, who will join this industry.

What I have tried to do in this report is to highlight some of the problems within fish-farming, and the areas that I feel could be supported by the Commission. If the industry is going to expand, some help must be given to the development of equipment and to meeting the cost of capital equipment for fish-farming. The biggest problem facing the industry is, of course, disease. I am sure the Commissioner is well aware of all these problems. A great deal of help could be given to the industry through coordination by

some body within the Community for the purpose of assisting in the research work or compiling a register of diseases, the way they are transmitted and the available cures for them. At the present time various institutes and bodies have solved numerous problems, but it is all being done behind closed doors; I wonder what the Commission could do to encourage the Community to start coordinating this work.

Fish-farming could be the new growth industry for Europe. It is a source of high protein food. It could generate employment in underdeveloped regions, by development both on land and at sea — where there are unpolluted waters. The potential areas for development should be protected in some way as pollution round our coasts increases. It could build up an enterprise where one could exploit the expertise on both equipment and feed. This could be particularly helpful in Lomé Convention countries and third countries of the world that need protein. I have gone as far in this report as actually suggesting to the Commission articles that might be studied, and I sincerely hope that this report can be used as a basis for fish-farming in the Community in future years.

**President.** — I call Mr Hughes.

**Mr Hughes, deputy rapporteur.** — May I, acting on behalf of Mr Lemp, recommend to the House both his Document 130/79 and the series of amendments 1 to 9 adopted last night unanimously in the Committee on Agriculture, which, I might say, are consequent upon the visit of the fisheries sub-committee to Hull and have the whole-hearted, unanimous support of the Committee on Agriculture. On the substance of Mr Lemp's report I have no difficulty. I must, however, draw the attention of the House to the difficulty with which we are always being faced — and I understand why in this particular case more than in many others — whereby we have one part of a package at one part-session and another, complementary part at a later part-session. What we are involved in is the second half of an agreed package, one part of which we did in March, the other part of which we are doing now. It is inevitable, but we must regret it and hope that our successors in the directly-elected Parliament manage their affairs and their relations with Council and Commission rather better.

One last word. I should like, on behalf of my group, to express our enthusiastic and whole-hearted endorsement of the Corrie report. It is my only sadness that it is half-past nine at night, and we cannot debate it with the thoroughness that the subject deserves; but it has my total support, and my group's.

**President.** — I call Mr Kavanagh to present the opinion of the Committee on Regional Policy, Regional Planning and Transport.

**Mr Kavanagh, draftsman of an opinion.** — Mr President, I would like to congratulate Mr Corrie too on his report, and to say it is a pity we have not had it in a normal part-session. This being the last one, everything seems to be a little rushed.

Fishing as presently practised is becoming obsolete because of pollution of the sea and over-fishing. Certain species of fish have been reduced almost to the point of extinction. Should this trend continue, the Community will have to consider alternative food sources. One possibility for consideration is fish-farming. Up to now, fish-farming in the EEC has had a very limited commercial value. The stocking and restocking of rivers and lakes has, as its main objective, recreational or tourist interest. The nutritional rôle of this operation is almost non-existent, or at the very best a very secondary one. Some crustacean species such as oysters and mussels have been commercially farmed, but as far as fish is concerned, trout now represents the only commercial supply. A combination of expensive equipment and a very high cost of feeding means that only the more expensive varieties of fish are found profitable. Salmon, trout, turbot and eels are the most attractive possibilities. I believe that plaice-farming in Great Britain has been abandoned because of the cost.

Marine fish-farming, where the real expansion can take place, requires unpolluted water, the right temperature, and tidal conditions must fall within certain limits. These limitations give marine fish-farming its peculiar regional interest. Suitable locations such as the West of Scotland, Italy, Ireland and, for the future, Spain, come immediately to mind as areas for development.

With the limited time at my disposal, there is no need for me to add more than one basic point to the more detailed comments, as I have said, made by Mr Corrie in his speech and his report. I would conclude by summarizing the more important points in my opinion. The first is that marine fish-farming is a very costly operation. Secondly, it is still in its infancy, and will require extensive research for its development. Thirdly, the Commission will have to make funds available (a) for research and development, including research into the problems of fish diseases, (b) for developing the new skills and training which would be required, and (c) to fish-farming projects in the countries I have mentioned above.

The Committee on Regional Policy, Regional Planning and Transport believes that marine fish-farming is potentially of considerable importance for the development of certain less-favoured maritime regions of the Community, and that the Community should continue to cooperate with and encourage national efforts to foster it as a commercially viable industry.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, I am fully in agreement with Mr Corrie's report, it is true that fish farming is in its infancy, but it is an industry or an economic activity which has a great future ahead of it. I hope that the reason for this will not be that our seas are completely polluted, as the last speaker suggested, without foundation, but we must ask and expect the authorities, including Community authorities, which are concerned with environmental problems, to take energetic action to prevent pollution of our seas.

Even if they do so, even if by conservation over a period of years we can again provide a healthy basis for our fishing industry, there will still be an economic argument in favour of fish farming, especially for certain species, and this could relieve considerably the serious problems which affect fishing and which will be with us for many years yet. There are many problems to be overcome, some of them economic, new equipment and new plant must be provided. Research will need to be done into the many problems of disease, financial assistance will have to be made available and the Community is willing to provide that assistance. At present we are making serious efforts to coordinate the scientific work in the European body which is responsible for cooperation in fish biology and technology and we expect those efforts to produce results. We also intend, and here the Commission can take its own decisions, to use a fairly significant proportion of the structural funds which are still restricted. The funds available to us for fisheries are 5 million UA approved last year and 15 million UA this year earmarked for the financing of two or three fish farming plants; the aim is to breathe life into this industry, establish some experimental units, to be able to show what can be done, how best the teething problems can be solved and thus to prepare the way towards the more routine development of private fish farms. I can also tell Mr Corrie that the work will be carried out energetically and the views, material and advice which are included in Mr Corrie's report are particularly useful in this context.

As regards Mr Lemp's report, all I have to say is that it is quite natural that Parliament should want the information it receives on a given problem to be as comprehensive as possible. In this case the information related to agreements with third countries, both agreements concerning our fishing in their waters and agreements concerning their fishing in ours. If the information was not complete on this occasion, it was due to the deplorable tendency evident in the Council when one of the members wishes to make acceptance of an agreement conditional on approval of something else which has nothing to do with the agreement.

**Gundelach**

If, as I hope will be the case, we have a comprehensive fisheries policy before the end of this year, such a situation will of course no longer arise and Parliament's wishes, which I share, will be fulfilled; it will be possible to consider simultaneously both the external and internal implications of the situation for a given year. I am very pleased that the Committee's report emphasizes the importance of having the fishery agreements we have concluded with Norway and Sweden signed as quickly as possible. What is at stake is not merely cooperation on fisheries but the wider issue of the general climate of cooperation between the two countries in question and the Community. I am therefore very glad that emphasis has been placed on the importance of signing these agreements without delay and I hope that the Council will at long last act on this recommendation.

**President.** — I have no more speakers listed. The motions for resolutions will be put to the vote, together with the amendments tabled, at the beginning of tomorrow's sitting.

The debate is closed.

21. *Enzootic leukosis among cattle*  
— *Nervous diseases in pigs*

**President.** — The next item is the joint debate on :

- the report (Doc. 105/79) by Mr Hughes on behalf of the Committee on Agriculture on the proposal from the Commission to the Council for a directive amending Directive 64/432/EEC in respect of enzootic leukosis among cattle;
- the motion for a resolution (Doc. 76/79) tabled by Mr Hughes on behalf of the Committee on Agriculture on the urgent need for eradication measures to control nervous diseases in pigs.

I call Mr Hughes.

**Mr Hughes, rapporteur.** — This would not be the occasion, Mr President, to speak at length in this debate. But I think even so that to be treated lightly would do this Community a disservice. These two diseases, enzootic bovine leukosis and Aujeszky's disease, are showing a disturbing increase throughout the Community, and there are areas where Community action supplemented by effective national action can be most effective. Therefore the plea contained in these documents, that we do not pretend that these diseases will go away, but that we recognize the need for a much more active policy, is a very real one, and I regret deeply that one of the last actions of recent Labour Government in the United Kingdom was to refuse to embark upon an eradication scheme for Aujeszky's disease in the United Kingdom. But whether or not any of these are zoonotic and can affect man is beside the point. The damage they do to some of the highest quality breeding stock of cattle and of pigs throughout the Community is very serious

indeed, and it is in this veterinary area that I hope the Community will make the most rapid advances. Therefore I recommend these two documents to the House as indicating this Parliament's desire to see the Commission and its specialist veterinary committees maintain vigilant pressure on national governments so that the trade in animals and the health of every animal in the Community are improved as the years go on.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, I shall be brief, not because I wish in any way to belittle the importance of the two diseases referred to or of many others which will be dealt with by Parliament in coming months. I shall not go into details, I share the view expressed by Mr Hughes and I am glad that the report has been presented. It has become clear to me, since I took over my present responsibilities, that not enough was being done in relation to disease prevention. It is not just a commercial problem, it is not merely a question of removing technical barriers to trade, the problem lies with veterinary regulations and it is also a public health matter. We have therefore prepared an overall programme for the eradication of animal diseases and we have been supported by Parliament and have had reasonable backing in the Council and at present, with the help of extra grants, we are in the process of setting up for the first time a real veterinary department in the Commission, which, in cooperation with national experts, can work much more effectively in the two areas referred to and in many others which will be submitted for Parliament's consideration in the next few months. I think that that is something which should be of great interest to the general public and should relieve public concern about the purity of its food.

**President.** — I have no more speakers listed. The two motions for resolutions will be put to the vote as they stand at the beginning of tomorrow's sitting.

The debate is closed.

22. *Point of order*

**President.** — I call Mr Hughes on a point of order.

**Mr Hughes.** — Mr President, looking round the House, I see that I am the last remaining vice-chairman of the outgoing Committee on Agriculture. Could I, for the convenience of the House, formally move, while reserving my own private position and that of my group on the vote tomorrow, items No 114: Mr Brégégère report on the Perustitza and Erzevovina varieties of tobacco; No 115: Mr Brugger's report on the protection of animals during international transport; No 116: Mr Ligios' report on special

**Hughes**

measures to improve production and marketing of Community citrus fruit : No 117 : Mr Hansen's report on a regulation amending the Regulation regarding the financing of the oil production register ; No 118 : Mr Früh's report on laying down aids to hop producers for the 1978 marketing year, and No 71 : Mr Albertini's report concerning forestry policy in the European Community ?

These were all passed without any difficulty in the Committee on Agriculture. I would be happy, as vice-chairman, to answer any points, and no doubt Mr Gundelach would make any necessary comments. Could I group them together and formally move them for the vote tomorrow morning ?

*23. Regulation on the Perustitza and Erzegovina varieties of raw tobacco*

**President.** — The next item is the debate on the report (Doc. 85/79) by Mr Brégégère on behalf of the Committee on Agriculture on the

proposals from the Commission to the Council for a regulation laying down special measures in the raw tobacco sector in respect of the Perustitza and Erzegovina varieties.

I have no speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

*24. Directive on the protection of animals during international transport*

**President.** — The next item is the debate on the report (Doc. 129/79) by Mr Brugger on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council for a directive establishing measures for the implementation of Directive 77/489/EEC on the protection of animals during international transport.

I have no speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

*25. Regulation on Community citrus fruit*

**President.** — The next item is the debate on the report (Doc. 183/79) by Mr Ligios on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 2511/69 laying down special measures to improve production and marketing of Community citrus fruit.

I have no speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

*26. Regulation on the oil production register*

**President.** — The next item is the debate on the report (Doc 180/79) by Mr Hansen on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council (Doc 113/79) for a regulation amending Regulation (EEC) No 154/75 as regards the financing of the oil production register.

I call Mr Nielsen.

**Mr Brøndlund Nielsen.** — (DK) Mr President, I merely wish to say that, in proposing the two amendments to the report, my purpose was to provide a basis for improved statistics. We have often had discussions on the types of market organization referred to here and there are said to be some general problems in connection with the agricultural statistics in the country most affected by the market organization in question ; my amendments are intended to make the necessary improvements in the relevant statistics and I can therefore recommend the adoption of these proposals.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, I have no comments to make on the report as such nor, for my own part, have I anything to say in reply to Mr Brøndlund Nielsen's general remarks. However, with regard to amendment No 2 recommending that a particular body be employed to do statistical work, I do have something to say.

This is an idea which we ourselves examined, we considered the question carefully and came to the conclusion that the body in question was an agricultural rather than a statistical body and, therefore, we do not think that it can be employed in connection with the statistical data required for the operations we are considering. This is not a question of principle, Mr President, but a purely technical one. I must therefore express my reserve on this point for technical reasons.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote, together with the amendments tabled, at the beginning of tomorrow's sitting.

The debate is closed.

*27. Regulation on aids to hop producers*

**President.** — The next item is the debate on the report (Doc. 181/79) by Mr Früh on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council for a regulation laying down aids to hop producers for the 1978 marketing year.

**President**

I have no speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

28. *Communication on forestry policy in the Community*

**President.** — The next item is the debate on the report (Doc. 184/97) by Mr Albertini on behalf of the Committee on Agriculture on the communication from the Commission to the Council concerning forestry policy in the European Community.

I have no speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

29. *Activities of fisheries auxiliary vessels*

**President.** — The next item is the debate on the report (Doc. 101/79) by Mr Kavanagh on behalf of the Committee on Social Affairs, Employment and Education on the coordination at Community level of the activities of fisheries auxiliary vessels.

I call Mr Kavanagh.

**Mr Kavanagh, rapporteur.** — Mr President, I intend to be very brief on this indeed, but in deference to one gentleman who is in the public gallery I would like to move with a very short statement. In the Community of the Nine some 150 000 persons are employed in fishing — that is, excluding those who work ashore. Of these, 65 000 are employed in deep-sea fishing in the Atlantic and the northern waters — a fishing area covering more than four million square kilometres, or three times the area of the Community. As a rule, fishing voyages are lengthy and the crews' working conditions differ from those of virtually every other occupation in that the everyday technical, medical and logistic support which is always available for everyone ashore at very short notice does not, of course, exist for the fishermen.

The objective of this Parliamentary initiative is, therefore, to improve the facilities for assistance — that is, to put fishermen on a more equal footing with other occupations.

It is true, of course, that crews are not entirely without assistance, because 15 fishery auxiliary vessels are stationed in the main fishing-grounds to provide this medical, technical and logistic support and also to ensure that weather reports are broadcast. These vessels are, however, not permanently stationed in the fishing grounds.

My report calls on the Commission to begin preparation of an overall social policy for the fishery sector covering such matters as safety on board ship, and at sea, and notes that the Community is required, under Article 9 of Regulation 101/76, laying down a common structural policy for the fishing industry, to take measures to contribute to the improvement, in step with technical progress, of the standard and conditions of living of the population which depends on fishing for its livelihood. The report also requests the Commission to submit proposals by May 1979 for the progressive improvement, intensification and expansion of the system of auxiliary vessels for the sea fishing industry and urges that in the 1980 budget money should be provided for this purpose and also for the vocational training for fishermen in the Member States.

Finally, I would like to request the Commission to aim ultimately for the overall coordination of existing services and institutions in the Member States that render assistance at sea to merchant and passenger vessels and pleasure craft with a view to achieving the highest possible level of safety at sea.

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

**Mr Geurtsen.** — (NL) Mr President, as Mr Kavanagh felt obliged to speak on his report after all in deference to one gentleman in the public gallery, the very least I can do is to speak on the subject as well, seeing that the gentleman in the gallery is a compatriot of mine.

The fact that he has been sitting up there for twelve hours waiting for this debate shows how much he is concerned about the subject. I should like that to be placed on the record, because I believe that to be one of the most gratifying things that can happen in any society.

I shall be brief, because Mr Kavanagh has discussed this subject in great detail in his report and has pointed out where improvements can be made to the present situation. His report is an outstanding piece of work, one which builds on the initiative taken a year ago by my honourable friend Mr Berkhouwer, whose motion for a resolution called for the extended and improved use of fisheries auxiliary vessels.

Mr Berkhouwer's work showed that the level of medical care and technical, meteorological and logistical assistance to the Community's fishing industry was inadequate. In this respect, the fishing industry lags far behind other land-based industries. I am pleased to say that no blame attaches to the efforts that have been made so far, culminating in the auxiliary and hospital vessels which are now in service.



**Geurtsen**

While I am on this point, I feel I must make special mention of the work of the Dutch hospital ship 'De Hoop', a private enterprise which is now, thanks to government subsidies, doing an important job of work for those in the fishing industry. Unfortunately, this is not enough. More needs to be done both quantitatively and qualitatively. This is evident from the fact that fishing vessels are involved in 20 % of all accidents in Community waters. Anyone who keeps his eyes and ears open will have realized the urgent need for the Community's fisheries policy to be supported by a Community policy providing social assistance and health care for the 150 000 workers in the fishing industry. I hope that the Commission will take this report's recommendations to heart — naturally after consulting those directly affected — and will make rapid progress towards working out this supporting policy.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, since a 200-mile EEC fishing limit has been established as a result of a number of coordinated national decisions, the EEC clearly has assumed certain responsibilities for conditions in this fishing area. Evidence of this can be seen not only in the discussion at Community level about catch quotas and conservation measures, but also in the further action taken to provide support for certain countries to assist them in surveillance to ensure compliance with the regulations. The action taken is not as far-reaching as we wanted during our negotiations here but the steps taken show quite conclusively that a degree of responsibility has been acknowledged. Since that is the case, we also have a responsibility to ensure that a rescue service, medical assistance and certain social security services are provided in this fishing area. This is not the case at present, so certain Community measures must be taken, not to solve all the problems, but, by coordinating Community support, to help in ensuring that progress is made along the right lines. Therefore, the Commission is fully in sympathy with the views expressed by the rapporteur and I can assure Parliament that, in our view, the most acceptable solution would be for a body under the aegis of the Commission to undertake the necessary coordination of the further work which remains to be done. In conclusion, I would add that the necessary proposals for the initiation of that work have been submitted and they will ensure that the required appropriations are included in the 1980 budget.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

*30. Development and training in rural life*

**President.** — The next item is the motion for a resolution (Doc. 177/79) tabled by Mr Caillavet on behalf of the Committee on Agriculture on development and training for farming and rural life.

I call Mr Hughes.

**Mr Hughes, deputy rapporteur.** — Mr President, I wish on behalf of my colleague, Mr Caillavet, formally to move this motion for a resolution to the House.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) I should like to say, as I have already done on a previous occasion, that I go along with the views put forward in this motion for a resolution. In my view, this is a field where aid is called for and I am now in the fortunate situation of having reached agreement with the budgetary authorities to rectify what I see as a mistake whereby aid was reduced to 50 000 u.a. It is now to be brought back to 150 000 u.a. per year.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

*31. Regulation on the creation of a European Agency for Cooperation*

**President.** — The next item is the debate on the report (Doc. 44/79) by Mr Sandri on behalf of the Committee on Development and Cooperation on the

proposal from the Commission to the Council for a regulation relating to the creation of a European Agency for Cooperation (EAC).

I call Mr Sandri.

**Mr Sandri, rapporteur.** — (I) Mr President, we discussed this question at length in committee and reached unanimous agreement; the representatives of the Commission of the European Communities have assured us of its full support for the proposals we put forward; and, finally, we obtained the agreement of the Committee on Budgets. I would therefore refer you to the report, in the hope that tomorrow our motion for a resolution will be approved, thus providing a final solution to this delicate problem, which affects hundreds of employees of the future European Agency for Cooperation.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, on behalf of the Commission I should like to thank the members of the two committees, and particularly the rapporteurs, Mr Sandri and Mr Aigner, for taking a positive attitude, after discussions we had, towards the principle of the creation of an agency under Community law with the task of recruiting, transferring and managing the staff of the delegations and technical cooperation staff working in the framework of the Lomé Convention or other overall cooperation agreements. The Commission, after studying the various aspects of the problem, has reached the conclusion that only a decentralized body under its supervision can flexibly and effectively manage overseas staff, whose living and working conditions differ significantly from those of Europe-based Commission officials.

In addition, the Commission will take account of the concern expressed by Members of Parliament about the conditions applicable to the staff of the Agency, as envisaged by Article 17 of the proposal, and more particularly about guarantees of promotion, pension rights and social insurance. With this in mind, the Commission is willing to give careful study to the new wording of Article 17 and the amendment to the 'Conditions of employment of other servants of the Communities' proposed by the two parliamentary committees.

At all events, the Commission undertakes to make every effort to ensure that the constructive proposals of the staff are acted upon.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

### 32. Communication on working conditions

**President.** — The next item is the debate on the report (Doc. 111/79) by Mr Nyborg on behalf of the Committee on Development and Cooperation on the

communication from the Commission to the Council on development cooperation and the observance of certain international standards governing working conditions.

I call Mr Nyborg.

**Mr Nyborg, rapporteur.** — (DK) Mr President, the purpose of this motion from the Commission is to prevent what can probably reasonably be described as unreasonably long working hours in underdeveloped countries. It applies both to Lomé Treaty countries and to other countries with which the Community has trading relations. What is wanted is a reduction in working hours to a maximum of 48 hours per week

without any reduction in pay. It would be a step forward in the social field if this could be achieved since, in many countries, there is a 70-hour working week. Another aim is to take steps to prevent the use and abuse of child labour, but this refers only to industry and excludes the employment of members of the family in artisanal and agricultural undertakings. The Commission is of the opinion that the ILO would be willing to assist in the task of overseeing compliance with these regulations. It is also the view of the Commission that it would be possible to have such regulations on working conditions implemented in the relevant underdeveloped countries since, if they were not observed, the countries in question could be deprived of any rights they had acquired under the special system of preferences. Thus, the basic aim is social progress in those underdeveloped countries with which the Community has relations and, if I am to express faithfully the attitude of the Committee on Development and Cooperation, I must say that it recommends acceptance of the Commission's motion. However, there is one small qualification, which is that I personally cannot support the motion and, with your permission, Mr President, I shall presently be speaking on behalf of my group.

**President.** — I call Mr Albers to present the opinion of the Committee on Social Affairs, Employment and Education.

**Mr Albers, deputy draftsman of an opinion.** — (NL) Mr President, as regards this important Commission proposal, I should like to hear what the rapporteur thinks of the amendments tabled by Lord Murray on behalf of the Committee on Social Affairs. Over the last few days, we have heard a lot about the employment situation in the European Community and about the still growing army of unemployed. There is now a trend in industry to move out of the European Community to countries with low wage levels and poor working conditions. As part and parcel of the negotiations on development cooperation, it must surely be possible to make specific demands and specify a certain level of working conditions in the developing countries. I realize that, strictly speaking, in the light of our policy on development this sounds very patronizing. I am also very much against — and this point was made in the Committee on Social Affairs — equating development cooperation with the distribution or lending of money with the aim of getting more back later, an attitude which one comes across in certain political circles.

But if our aim is to support the labour movement in the developing countries and to encourage the process which started in Western European society sixty to seventy years ago, we must put some real effort into

**Albers**

this. I think Lord Murray's amendments are on the right lines. They expose the Commission's proposals as fairly modest measures, and call on the Commission to go much further and be much more forceful on this point, without, however, interfering with the standard of living of the people in the countries concerned. Because we shall not have much chance tomorrow when the vote is taken to go into this question in more detail, and will only then hear whether the rapporteur is for or against these amendments, I should be grateful if he would state his position now.

**President.** — I call Mr Christensen.

**Mr Christensen.** — (DK) Mr President, I have on several occasions pointed out that this motion should not be applied in a protectionist fashion. However, reading between the lines, it seems that the motion could be used in such a way if, or when, it is implemented. I think that what Mr Albers has just said makes it clear that protectionist tendencies will be ready to take advantage of it once it is adopted. I would also draw attention specifically to paragraph 20 of Section VI of the explanatory statement, Cooperation between the EEC and the ILO, which states pretty clearly that the ILO will have nothing to do with this matter. Of course there is no doubt that in certain countries there are abuses of which we cannot approve under any circumstances but it is up to international opinion as expressed, for example, by supranational bodies such as UNO or the ILO to exert the moral pressure required to put an end to abuses, it is not a matter for trade reprisals or threats of reduced cooperation. I must therefore dissociate myself from this motion.

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

**Mr Nyborg.** — (DK) Mr President, I should first of all like to say to Mr Albers that I cannot support the proposed amendments. I cannot support them either as rapporteur or as spokesman for my own group, for they go much further than the motion put forward by the Commission.

The fact that the Commission did not go as far as these amendments do is evidence of its cautious approach; it realizes that it is venturing out into dangerous waters, over quicksands where it would be hazardous to go aground. I should now like to say a few words on behalf of the Group of European Progressive Democrats and on my own behalf, since I am in the awkward situation — fortunately this does not often happen to me — that I must recommend rejection of my own report. I am, indeed, extremely uneasy about the contents of the Commission's motion, it is an attempt to impose something on the people of the underdeveloped countries we are coope-

rating with. It is a contradiction of the principle of equality which we have until now observed in our cooperation with underdeveloped countries. In many places the choice is not between working 48 hours or 70 hours, the choice is rather between working 70 hours or dying of hunger and in many cases it could be argued that a distortion of competition would result, because, if we apply such regulations in one country and if they are not applied in a neighbouring country, we thereby impose on the first country price increases not suffered by the second, in other words we are then involved in a distortion of competition which can quite easily lead to a high level of unemployment in the area which we are supposedly trying to help. It could cost thousands of jobs and increase unemployment. It cannot be our intention to follow that path.

As Mr Christensen rightly observed, it smells very bad, it is a back-door method of practising protectionism, we want to protect our industries by this form of protectionism so that we can avoid what is known as 'social dumping' and in that way we will be better able to compete with the underdeveloped countries we are supposed to be helping.

I will limit myself to these few comments which, I think, sum up the position and I will therefore, on behalf of my group, recommend rejection of this report.

**President.** — I call Mr Giolitti.

**Mr Giolitti.** — (I) Mr President, I should like to begin by thanking on behalf of the Commission the two rapporteurs and Parliament as a whole for the attitude adopted in the motion for a resolution towards the guidelines submitted by the Commission.

I should like to make some comments and explain some points of detail. The Commission thought it necessary for the Community's development cooperation policy to enter a new phase, in which it would pursue at one and the same time the aims of economic and social progress in the developing countries. Bearing in mind the economic and social difficulties which the Community countries are going through, the Commission thinks that its guidelines will strengthen the support of the economic and social forces of the Community for an open development cooperation policy. Thus, the trade preferences which the Community grants to developing countries will be reserved for those countries which seek to achieve a minimum of social progress at the same time as economic growth.

In this connection I wish to stress that the European Confederation of Trade Unions, the All African Trade Union Federation, the International Confederation of Free Trade Union and the World Confederation of

**Giolitti**

Labour have all given their unreserved support to the Commission proposals on behalf of the workers in industrialized and developing countries throughout the world represented by these organizations. I also wish to mention the support given by the Economic and Social Committee of the Community. Turning to the opinion of the Committee on Social Affairs Employment and Education, paragraph 2 of the conclusions requires clarification by the Commission. Although the Commission agrees with Parliament's view that the four standards chosen represent an acceptable minimum at present, I must nonetheless remind you that the Commission favoured the idea of a progressive clause which, if incorporated in trade agreements with developing countries, would make it possible in future gradually to extend these minimum standards to other conditions of work, such as trade union freedom, the right of collective bargaining etc.

On this same point, Mrs Squarcialupi tabled an amendment, approved by very large majority of the Committee on Social Affairs, Employment and Education, in which Parliament expresses dissatisfaction that the protection of female workers during pregnancy and motherhood was not also considered, and calls for measures to this effect to be taken as soon as possible. The Commission has always sought to safeguard and promote women's rights in society and at the workplace, and I must therefore agree with Mrs Squarcialupi, for two reasons. Firstly, the Commission in choosing the minimum standards, gave priority to those directly affecting the individual. Secondly, this could have a considerable impact on the social and human role of women as envisaged in the developing countries.

Paragraph 4 of the opinion points out the danger which would be involved in exempting small-scale undertakings and agricultural undertakings producing exclusively for the local market from the need to conform to the minimum standard establishing 14 years as the minimum age for employment. I would point out that this exception is expressly envisaged in Convention No 138 of the International Labour Organization, relating to the minimum age for employment. This means that the Commission could not, in any case be more strict than the standards of the International Labour Organization — standards of which we took account as an indisputable and undisputed frame of reference.

With regard to the motion for a resolution tabled by the Committee on Development and Cooperation, I think the time has come to give priority to the social aspects of development in Third World countries so as to reduce the considerable disparities which exist between the various developing countries in terms of distribution of income and resources. There is no doubt that the Commission guidelines are a step in

this direction and will accelerate existing trends. Moreover, I think that the representatives of trade unions and employers' organizations in the developing countries should be involved in the choice of standards and the supervision of their application in accordance with Parliament's explicit demand. On paragraph 4 of the motion for a resolution, I wish to inform Parliament that the Council of Ministers agreed on 8 May that a statement be made on its behalf and an explanation be given to the ACP ministers during the negotiations, i.e. before 24 and 25 May, informing them that, when measures arising from the standards are taken in respect of the developing countries in general, they will also be applicable to the ACP countries, given that there can be no discrimination among developing countries in this field.

May I point out that this Council decision is in line with the Commission's initial aim which follows three basic criteria — application to all developing countries without exception, unilateral decisions by the Commission in respect of countries benefiting from the generalized preferences scheme, and informing of ACP countries without negotiation or preliminary agreement with those countries, since Article 10 of the present Lomé Convention allows for the adoption of criteria relating to respect for the chosen standards, in relation to the possible application of the safeguard clause.

Consequently, I wish to suggest that paragraph 4 of the motion for a resolution be redrafted in the following terms :

Parliament congratulates the Council on at last accepting the Commission proposal.

With regard to the amendments tabled by Lord Murray of Gravesend, I accept amendments Nos 1, 3 and 6 which strengthen and clarify the Commission proposals. With regard to the other amendments, I would remind Lord Murray of Gravesend that I have already given at least a partial reply to them in the first part of this speech.

The principle introduced in amendment No 2 is acceptable, but applies only to the countries to which the Community grants privileges or preferences in trade. For this principle to apply generally the Commission would have to draw up a new proposal to take account of the proposed amendment.

Amendment No 4 takes up only a part of the chosen minimum standard and omits the other part, 'which do not employ paid workers on a regular basis'. For undertakings to be exempted from this standard, they must satisfy two requirements — that they produce only for the local market and that they do not employ paid workers on a regular basis. Consequently, if the amendment were accepted, the exemption would apply only to family undertakings for which, in any case, supervision would be impossible in practice.

**Giolitti**

Finally, I find amendment No 5 acceptable, except for the last part, which states that the Commission proposals must not develop into a convert form of protectionism against countries which are at present flooding the Community with cheap goods. I should like to point out that this flooding of the Community market to the advantage of third countries must be ascribed to the comparative advantages arising from wage levels, taxation and social security contribution levels, regulations on health protection for workers at the workplace, etc. However, the fact is that the minimum standards chosen by the Commission do not cover these fields.

Finally, I wish to thank Parliament for the constructive way in which it has approached the study of this problem and for the support it will give the Commission by approving — as I hope it will — the motion for a resolution put before it.

**President.** — I call Mr Nyborg.

**Mr Nyborg, rapporteur.** — (DK) I have very little to add. To the Commission I would say that its package is very attractive and is done up with very nice ribbons. However, I must be allowed to emphasize that the underlying implications of the Commission's argument, when it suggests that the ILO is willing to act as a control body for the Community, do not tally with the truth. The ILO has not so far given any such undertaking, as Mr Cheysson had to admit at the meeting of the committee in Rome.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote, together with the amendments tabled, at the beginning of tomorrow's sitting.

The debate is closed.

### 33. *European Youth Forum*

**President.** — The next item is the debate on the report (Doc. 151/79) by Mr Caro on behalf of the Committee on Social Affairs, Employment and Education on the activities of the European Youth Forum.

I call Mr Caro.

**Mr Caro, rapporteur.** — (F) Mr President, the Committee on Social Affairs, Employment and Education has, as you know, been looking into proposals relating to the European Youth Forum for some time.

It has taken quite a while for this report to be presented to this House because of the difficulties encountered in setting up the various bodies, which was inevitably something of a problem given that this is an entirely new departure.

As it is getting late, I shall keep my remarks to the minimum required on a question of this importance.

I shall try to tell you — or remind you — briefly what the Forum is by describing the central elements of its work, the resources it has access to and its wish to work as closely as possible with the Commission and with this House.

First of all, let me explain that the idea of this Forum originated at the meeting of the Heads of State and Government in The Hague in 1969. The idea was taken up again in 1976 with the support of the European Parliament, and in June 1978 the organization was formally set up and its statutes adopted. The European Youth Forum is composed of a general assembly with the usual executive organs, and is based on the principle of equal status for national committees and international non-governmental youth organizations. It is worth noting that the international youth organizations can only be accepted as members of the Forum if they have active national branches in more than half of the Member States of the European Community. The European Coordination Bureau of International Non-Governmental Youth Organizations and the Council of European National Youth Committee have been admitted as consultative members of the Forum.

I should like to draw your attention to the excellent relations which have been established right from the word go with the institutions of the Council of Europe, and in particular the European Youth Foundation and the European Youth Centre.

Having dealt with the organizational problem, the European Parliament was then faced with that of the financing of the Forum. This problem was — as you know — solved in the 1979 budget, when it was clear that the funds required to set up this organization conceded the figure approved by the Council. The Council had cut the original draft appropriation of 360 500 EUA to 275 000 EUA, but an amendment submitted by Parliament succeeded in reinstating the original amount. This considerable increase was due to the substantially greater requirement involved in the Forum's actually starting work, and in particular the establishment of a four-men full-time Secretariat and its premises in Brussels.

Turning to the considerable problem of working conditions and the resources that can be made available to the Forum, I think we should avoid overdramatizing the situation. Any organization going through its initial growth phase is bound to have substantial requirement which cannot perhaps always be satisfied immediately and automatically. Nonetheless, it is vital for this original organization that consideration be given to establishing relations between the Forum's executive organs and the Commission and Parliament, so as to enable the Forum to enjoy optimum working conditions in which to put across its point of view;

**Caro**

these include the right of initiative, the right to mutual consultation and, of course, an assurance that the Forum will not be 'forgotten' in the day-to-day work of the Community institutions.

An exchange of letters which took place between the Forum and Mr Jenkins raised some doubts on the part of the organizers and the executive officers of the Forum, in that the President of the Commission accepted the principle of establishing closer relations between the Forum and the Commission without, however, being willing to give any immediate assurance or guarantees on the point of mutual consultations nor, especially, on the Forum's right of initiative.

It is interesting to note that, in line with the resolution on the second Community programme designed to encourage exchanges of young workers within the Community — point 8 of which said that the European Youth Forum's opinion to a meeting to examine the practical problems of implementing this second programme. This decision was taken only a few days ago, which goes to show that the commitments entered into by the President of the Commission should be regarded as a precedent and should satisfy the Forum's officers. This was one of the points which received most attention from the committee, because we believe that this useful organization will only be able to play an effective role if close relations are maintained between it and the Commission.

Having established what resources are available to the Forum, what possibilities are open to it and what support it will receive, there remains the basic question of what contribution the Forum will actually be able to make. Will it be a consultative organization or will it be active in its own right? That is the point the committee really wanted to clear up before reporting back to this House.

The Forum has drawn up an extremely interesting programme of work, based on an internal structure which includes permanent commissions required both to implement and improve the existing programme. Let me go over the main points in my report, so that I can show you how important this programme is.

Firstly, the Forum intends to contribute to the political development of the European Communities and to take an interest in the democratization of the institutions, new forms of economic growth and, of course, the Lomé Convention. In the second main chapter on the Forum's programme of work, we have also brought out the question of the social position of young workers, concentrating on the campaign against youth unemployment, a strategy for access to employment, the rights of young people in the undertaking, improving living conditions for young workers and, of course, the problem of young migrant workers.

Finally, we noted with interest the Forum's planned work in the educational and cultural field, especially

in relation to the problems of the transition from school to work and of intra-mural and extra-mural education.

So now we have an organization of, we hope a new type, which looks set fair to make great progress. The European Youth Forum was created to act as a political platform for the youth organizations *vis-à-vis* the institutions of the European Community, and also to represent most of the large international youth organizations covering the whole political, philosophical and religious spectrum, along with the national youth committees of the Member States, and of the non-Member States an observer capacity.

Mr President, ladies and gentlemen, at a time when we are about to hold direct elections to the European Parliament, the creation of the European activities. Forum gives us a fine opportunity to show how important young people are in the Community's activities. The European Youth Forum is not a new bureaucratic department, nor a committee of experts nor even a sort of Ministry of Youth. What we are doing in fact is creating an organized structure for young people and run by young people. That is the new element.

The European man-in-the-street has for a long time been wondering about the future of Europe. He realizes that we are building a new Europe, but the opportunity he will have in a few days' time to vote for the European Parliament will bring this home to him even more clearly.

What our young people are wondering is whether Europe will mean anything more to them. I think the best way of replying to this question is to build the kind of society those young people can take an active part in. And the best way of doing this is to give them the means of helping themselves, with the backing of the institutions provided for in the Treaty of Rome. That is why the Committee on Social Affairs, Employment and Education and the Christian-Democratic Group, on whose behalf I am also speaking, think that this House would be well advised to adopt the motion for a resolution contained in my report.

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

**Mr Albers.** — (NL) Mr President, on behalf of my Group I should just like to add a few words to the excellent speech we have just heard from Mr Caro. I should like to congratulate him most sincerely on his report. He has rightly cut no corners in investigating precisely what kind of movement the European Youth Forum is. I go along with him in thinking that the European Youth Forum can in the future be regarded as a genuine partner for the Community institutions, and I believe that to be important. We must not forget that, of the 6 million unemployed we are always

## Albers

talking about, 40 % are younger than 25. These young people are in a difficult situation, and this will remain an enormous problem for many years to come. Because of this, I believe that the exchange of view facilitated by this kind of organization could be very valuable. This organization also seeks to integrate young people into the European Community, and this is something we must encourage. Parliament thought it necessary to make more money available for 1979, and we now have to ask ourselves whether the Commission, too, is aware of the value of the European Youth Forum and whether this will be reflected in the 1980 budget? The rapporteur has asked this House to support his motion for a resolution, and I can assure you that the Socialist Group will be giving its wholehearted support to this motion for a resolution at the vote tomorrow.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, I wish to thank the rapporteur, Mr Caro on behalf of the Commission. The Commission fully agrees with the content and conclusions of his report. I would mention that, in a letter of 19 June 1978, the President of the Commission had already expressed his satisfaction, on behalf of the Commission, at the establishment of the European Youth Forum. The Commission is prepared to start a dialogue on problems concerning young people and their organizations. It will try to ensure that its relevant departments establish close working relations with the Forum so as to provide it with adequate information on progress made in Community measures. To facilitate contacts, the Commission has already entrusted relations with the Forum to the Social Partners Office of the Secretariat-General. I can assure you that these relations have already developed most satisfactorily.

**President.** — I have no more speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting. The debate is closed.

## 34. Regulation on own resources

**President.** — The next item is the debate on the report (Doc. 167/79) by Mr Notenboom on behalf of the Committee on Budgets on the

proposal from the Commission to the Council for a regulation on the measures to be taken in the event of irregularities affecting the own resources referred to in the decision of 21 April 1970 and the organization of an information system for the Commission in this field.

I have no speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

## 35. Regulation on imports of adult bovine animals from Yugoslavia

**President.** — The next item is the debate on the report (Doc. 174/79) by Mr Martinelli on behalf of the

Committee on External Economic Relations on the proposal from the Commission to the Council for a regulation extending Regulation (EEC) No 2862/77 concerning agricultural levies on imports of certain adult bovine animals and beef from Yugoslavia.

I have no speakers listed. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

The debate is closed.

## 36. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Friday, 11 May 1979 at 9 a.m. with the following agenda:

- Procedure without report
- Voting time
- 10.30 a.m.: Vote on draft supplementary budget No 2
- Motion for a resolution on the Sabata trial
- Walker-Smith report on the appointment of a Community ombudsman
- Shaw report on limited liability companies
- Shaw report on the transfer of appropriations from 1978 to 1979
- Sandri report on the trade agreement with Uruguay
- Baas report on the EEC-ASEAN commercial and economic relations
- Kaspereit report on table grapes from Cyprus
- Corrie report on Community peripheral coastal regions
- Schyns report on the transport of passengers and goods by road
- Fuchs report on inland waterways
- Jung report on EEC-COMECON relations in maritime shipping
- Brown report on plastic materials
- Lamberts report on edible caseins and caseinates
- Bethell report on ionizing radiation
- Jahn report on environmental carcinogens
- Van der Gun report on contacts between Community citizens
- Noè report on the quality of foodstuffs (without debate)
- Lamberts report on fresh poultry meat (without debate)
- Pisoni report on social security schemes
- Oral question without debate to the Commission on the teaching of languages in the Community

*End of sitting:*

- Voting time

The sitting is closed.

*(The sitting was closed at 10.45 p.m.)*

## ANNEX

*Questions which could not be answered during Question Time, with written answers*

*Question No 7, by Lord St Oswald*

Subject : Import of wool textiles from State-trading countries

Does the Commission intend to introduce some further controls upon the import of wool textiles from State-trading countries at present resulting in unfair competition injurious to the Community's wool textile trade, including that of the United Kingdom ?

*Answer*

The Commission draws the honourable Member's attention to the fact that imports of these products are currently subject to the following conditions :

1. Imports from Bulgaria, Hungary, Poland and Romania are covered by textiles agreements which have been initialled and are *de facto* being applied between the Community and these countries. Apart from quantitative restrictions, these agreements also provide for protective measures and price clauses which may be implemented, if required, by the Community.
2. In the case of other State-trading countries, imports are subject to the unilateral import arrangements established in accordance with the Council Decision of 21 December 1978 (published in Official Journal L 60 of 12 March 1979) based on Council Decision 75/210/EEC of 27 March 1975. This decision provides for the introduction of protective measures in the event of serious disruption caused by imports from State-trading countries. In addition, in most Member States imports are subject to the granting of an import licence.
3. In the event of injurious effects as a result of unfair competition in the form of dumping, Regulation (EEC) No 459/68 may be invoked. This may be done by the Community textiles industry as well as by the Member States.

It is the view of the Commission that at the moment these provisions are adequate to cope with the difficulties referred to by the honourable Member should they arise.

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*Question No 9, by Mrs Ewing*

Subject : Mining of uranium

What is the policy of the Commission on the mining of uranium in the territories of the Member States and is it aware of the strong local opposition to this activity, particularly in the Orkney Islands of Scotland ?

*Answer*

It is the policy of the Community to reduce dependence on imported energy supplies, and the use of nuclear energy therefore requires an evaluation of the uranium potential of the Community. The Commission has used its powers under the Euratom Treaty to support a programme of uranium exploration to evaluate this potential, and has recently presented a progress report.

The Commission has not proposed uranium mining in the Orkneys. It is not known what potential there may be for uranium in the Orkney Islands, and the proposal from the South of Scotland Electricity Board which the Commission originally supported was simply designed to provide this information.

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*Question No 12, by Mr Herbert*

Subject : Irish meat canning industry

What measures does the Commission intend to take to alleviate the critical situation of the Irish meat canning industry brought about by MCA anomalies ?

*Answer*

The Commission has a commitment to the Irish Government to find a solution to this problem. We have investigated several technical solutions which have failed (owing either to the hostility of other Member States, to negative replies of the Irish themselves or to legal and juridical impossibilities). We are still searching for a solution.

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*Question No 13, by Mr Noè*

Subject : The free movement of electrical equipment designed for use within certain voltage limits

Is the Commission aware that Council Directive No 73/23/EEC on the free movement of electrical equipment designed for use within certain voltage limits has not yet been fully implemented, and in particular that the procedure provided for in Article 9 thereof has not been observed ?

*Answer*

The Commission is aware that there are still a number of problems in connection with the application of this directive in the Member States.

Unlike the majority of Community directives designed to eliminate technical barriers to trade, this directive does not prescribe the technical standards with which the products in question must comply in order to be placed in free circulation. It states the safety requirements in general terms and refers to technical standards laid down according to specific procedures by standardization bodies, as evidence of the equipment's conformity with safety requirements.

The Commission has been able to ensure that the Member States incorporate the provisions of the directive in their national legislation, but not without applying, in the case of some Member States, the procedure provided for under Article 169 of the Treaty, which in some cases has not yet been completed because the incorporation of the directive in national legislation has proved to be inconsistent.

Difficulties have also arisen with regard to the implementation of technical standards harmonized by the standardization bodies and their recognition as evidence of conformity at national level.

These difficulties were discussed with government experts from the Member States and representatives of the standardization bodies at a meeting organized by the Commission at the beginning of last March. In the view of the Commission, this meeting served to dispel certain doubts and differences of opinion, and also to clarify the scope of certain provisions of the directive, especially Article 9.

The Commission has so far been informed by several Member States of cases whereby the placing on the market of electrical equipment has been prohibited without any objections being raised by other Member States.

On the other hand, a national industrial federation has informed the Commission of certain facts which, in the view of the federation, are the result of incorrect application of Article 9 by a Member State. The information supplied is being studied by the Commission's departments, particularly the Legal Service.

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*Question No 16, by Mr McDonald*

Subject: Regional Fund and tourism

Would the Commission say to what extent Regional Fund appropriations have been made available to help tourism projects, and does the Commission consider it desirable to extend the use of these appropriations for projects of this nature?

*Answer*

1. From 1975 to 1979 (first tranche) the Commission financed 184 investment projects relating specifically to the tourist sector. Of these, 123 related to infrastructure equipment favouring the introduction of tourist activities and 61 projects related to direct tourist industry ventures (in effect, tourist accommodation). These 184 projects covered investments totalling 189 million EUA and involved a contribution from the Fund of 32.45 million EUA. The distribution of the projects by Member States is as follows:

Member State	Number of assisted projects	Total investment (million EUA)	Fund allocation (million EUA)
Germany	42	48.96	10.04
France	33	51.00	7.79
Italy	55	59.19	10.60
Luxembourg	2	9.15	1.03
United Kingdom	52	20.74	2.99
Total	184	189.04	32.45

2. In addition to these specifically tourist projects, the Regional Fund also financed 4 infrastructure projects in the United Kingdom — representing investments totalling 5.76 million EUA and Fund aid of 1 million EUA — which served to develop both tourist and industrial activities.
3. The Commission considers that of their very nature, tourist ventures can make an effective contribution to the development of certain disadvantaged regions and has, to date, given favourable consideration to all projects in this sector which have been presented to it. The Regional Fund Committee has, moreover, on a number of occasions launched discussions on the question of tourist investments, thus indicating the interest which it has in these projects. In the circumstances, the Commission considers it desirable that the Member States should in the future present a large number of investments in the tourist sector, since it is only to the extent that the Member States themselves contribute to development of tourist projects that the Commission can participate in financing these investments.

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## IN THE CHAIR : MR MEINTZ

*Vice-President*

(The sitting opened at 9 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

- (a) from the Council, the draft supplementary budget No 2 of the European Communities for the 1979 financial year, drawn up by the Council (Doc. 186/79/rev.).

This document has been referred to the Committee on Budgets;

- (b) from the Commission, a proposal for the transfer of appropriations between chapters within Section III (Commission) of the general budget of the European Communities for the 1979 financial year (Doc. 187/79).

This document has been referred to the Committee on Budgets.

Since this is a matter of non-compulsory expenditure, I have, pursuant to the provisions of the Financial Regulation, consulted the Council on Parliament's behalf.

3. *Petitions*

**President.** — I have received from Mr Theodoros Petrakis a petition concerning a complaint against the Federal Republic of Germany on the violation of human rights.

This petition has been entered under No 2/79 in the register provided for in Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of that same rule, referred to the Committee on the Rules of Procedure and Petitions.

4. *Procedure without report*

**President.** — I announced on Monday the titles of those proposals by the Commission to the Council to 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 no amendments have been tabled to them, I declare these proposals to be approved by the European Parliament.

5. *Votes*

**President.** — The next item is the vote on those motions for resolutions on which the debate is closed.

We begin with the *Schmidt report (Doc. 136/79): Directive on protecting the interests of members and others in sociétés anonymes.*

I call Mr Stetter on a point of order.

**Mr Stetter.** — (DK) Mr President, under Rule 33 of the Rules of Procedure I wish to request, on behalf of 10 Members, that you establish whether there is a quorum for the vote on Amendment No 25, tabled by Mr Schmidt on behalf of the Socialist Group and Mr Caro on behalf of the Christian-Democratic Group.

**President.** — I call Mr Bertrand.

**Mr Bertrand.** — (NL) The honourable Member has invoked Rule 33 and says that the request has been tabled in writing on behalf of ten Members. How can it be established that this is so?

**President.** — Will the ten Members supporting Mr Stetter's request please show?

The request is valid.

I note that there is not a quorum of 66 Members. Pursuant to Rule 33 (3) of the Rules of Procedure, this vote is accordingly placed on the agenda of the next sitting.

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**President.** — We proceed to the motion for a resolution contained in the *Castle report (Doc. 107/79): Economic and trade relations between the EEC and New Zealand.*

I put the preamble and paragraphs 1 to 5 to the vote.

The preamble and paragraphs 1 to 5 are adopted.

On paragraph 6, I have Amendment No 1, tabled by Lord Castle and rewording this paragraph as follows:

6. Recalls the undertaking given in the Dublin Declaration that urgent attention would be given to the situation arising from the fact that the special provisions for cheese imports would not be retained after 31 December 1977, with special reference to the resultant problems for New Zealand, and notes that a solution is to be found in the multilateral GATT framework;

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

**President**

On paragraph 7, I have Amendment No 2, tabled by Lord Castle and rewording this paragraph as follows :

7. Hopes that the international agreement on dairy products, reached within the multilateral GATT framework, will help to find appropriate solutions for New Zealand dairy exports ;

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put paragraphs 8 to 13 to the vote.

Paragraphs 8 to 13 are adopted.

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

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

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**President.** — We proceed to the motion for a resolution contained in the *Caillavet report (Doc. 128/79): Seminar held by the Committee on Agriculture at Echternach — Review of the common agricultural policy.*

I put the preamble and paragraphs 1 to 4 to the vote.

The preamble and paragraphs 1 to 4 are adopted.

On paragraph 5, I have Amendment No 1, tabled by Mr Hoffmann and Mr Willi Müller and rewording this paragraph as follows :

5. Invites the Community authorities therefore to give closer attention to agricultural and structural problems emerging in the southern regions of the Community ;

What is the rapporteur's view ?

**Mr Brøndlund Nielsen, deputy rapporteur.** — (DK) Mr President, on behalf of the rapporteur I ask the House to reject this amendment. The rapporteur is most anxious that this amendment should not be adopted.

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

I put paragraphs 6 to 8 to the vote.

Paragraphs 6 to 8 are adopted.

On paragraph 9, I have Amendment No 2, tabled by Mr Hoffmann and Mr Willi Müller and rewording this paragraph as follows :

9. Points out that certain surpluses are further increased by the importing of substitute products ;

What is the rapporteur's view ?

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**Mr Brøndlund Nielsen, deputy rapporteur.** — (DK) The rapporteur leaves it to Parliament to decide. He is neither for nor against this amendment.

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

I put paragraphs 10 to 12 to the vote.

Paragraphs 10 to 12 are adopted.

I put the first part of paragraph 13 to the vote.

The first part of paragraph 13 is adopted.

On paragraph 13 (a), I have Amendment No 3, tabled by Mr Hoffmann and Mr Willi Müller and rewording this text as follows :

- 13 (a) tempted producers into stepping up their output at all costs in order to increase or maintain their earnings ;

What is the rapporteur's view ?

**Mr Brøndlund Nielsen, deputy rapporteur.** — (DK) The rapporteur has no strong views on this amendment either.

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

I put subparagraphs (b) and (c) to the vote.

Subparagraphs (b) and (c) of paragraph 13 are adopted.

On paragraph 14, I have Amendment No 4, tabled by Mr Hoffmann and Mr Willi Müller and rewording this paragraph as follows :

14. Notes furthermore that the high capital expenditure resulting from excessive mechanization is frequently a serious problem for small agricultural holdings in view of their inherently low rate of capital turnover ;

What is the rapporteur's view ?

**Mr Brøndlund Nielsen, deputy rapporteur.** — (DK) The rapporteur strongly opposes this proposal and calls for its rejection.

**President.** — I put Amendment No 4 to the vote. Amendment No 4 is adopted.

I put paragraphs 15 and 16 to the vote.

Paragraphs 15 and 16 are adopted.

On paragraph 17, I have Amendment No 5, tabled by Mr Willi Müller and Mr Hoffmann and deleting this paragraph.

What is the rapporteur's view ?



**Mr Brøndlund Nielsen, deputy rapporteur. — (DK)**  
The rapporteur opposes this amendment and recommends that it be rejected.

**President. —** I put Amendment No 5 to the vote.  
Amendment No 5 is adopted.

I put paragraphs 18 to 24 to the vote.

Paragraphs 18 to 24 are adopted.

On paragraph 25, I have Amendment No 6, tabled by Mr Willi Müller and Mr Hoffmann and deleting this paragraph.

What is the rapporteur's view?

**Mr Brøndlund Nielsen, deputy rapporteur. — (DK)**  
The rapporteur opposes this amendment.

**President. —** I put Amendment No 6 to the vote.  
Amendment No 6 is adopted.

I put paragraphs 26 to 40 to the vote.

Paragraphs 26 to 40 are adopted.

On paragraph 41, I have Amendment No 7, tabled by Mr Willi Müller and Mr Hoffmann and replacing this paragraph by the following text:

41. Refers to the European Parliament's resolution of 15 March 1979<sup>1</sup> and again requests that as a matter of urgency a review be undertaken of national aid systems in the agricultural sector and a plan established to dismantle these aids;

What is the rapporteur's view?

**Mr Brøndlund Nielsen, deputy rapporteur. — (DK)**  
The rapporteur opposes this amendment.

**President. —** I put Amendment No 7 to the vote.  
Amendment No 7 is adopted.

I put paragraphs 42 to 45 to the vote.

Paragraphs 42 to 45 are adopted.

On paragraph 46, I have Amendment No 8, tabled by Mr Willi Müller and Mr Hoffmann and deleting this paragraph.

What is the rapporteur's view?

**Mr Brøndlund Nielsen, deputy rapporteur. — (DK)**  
The rapporteur opposes this amendment.

**President. —** I put Amendment No 8 to the vote.  
Amendment No 8 is adopted.

I put paragraphs 47 to 61 to the vote.

Paragraphs 47 to 61 are adopted.

On the heading of Section II and on paragraph 62, I have Amendment No 9, tabled by Mr Willi Müller and Mr Hoffmann and rewording these texts as follows:

- II. Reinforcement of the role of the European Parliament in the formulation of the CAP

*Within the Institution*

62. Considers that the necessary strengthening of the role of Parliament as a whole in the formulation of the CAP must be preceded by an improvement in the working procedures and functioning of Parliament and its committees;

What is the rapporteur's view?

**Mr Brøndlund Nielsen, deputy rapporteur. — (DK)**  
The rapporteur is neither for nor against this amendment.

**President. —** I put Amendment No 9 to the vote.  
Amendment No 9 is adopted.

I put paragraph 63 (a) to the vote.

Paragraph 63 (a) is adopted.

After subparagraph (a) of paragraph 63, I have Amendment No 10, tabled by Mr Willi Müller and Mr Hoffmann and inserting the following new subparagraph:

- 63 (a) a. the setting up of a permanent working party composed of members of the Committee on Agriculture and the Committee on the Environment, Public Health and Consumer Protection to promote an objective dialogue between farmers and consumers in the Community, to bring about the establishment of an agricultural and food policy geared to Article 39 of the EEC Treaty and to discuss the annual farm price proposals put forward by the Commission,

What is the rapporteur's view?

**Mr Brøndlund Nielsen, deputy rapporteur. — (DK)**  
The rapporteur proposes this amendment and calls for its rejection.

**President. —** I put Amendment No 10 to the vote.  
Amendment No 10 is adopted.

I put subparagraphs (b) to (i) of paragraph 63 to the vote.

Subparagraphs (b) to (i) are adopted.

On subparagraph (j), I have Amendment No 11, tabled by Mr Willi Müller and Mr Hoffmann and rewording this subparagraph as follows:

- 63 (j) a procedure whereby the Commission is given strict deadlines for acting on own-initiative proposals from Parliament;

What is the rapporteur's view?

<sup>1</sup> OJ C 93 of 9. 4. 1979, p. 49.

**Mr Brøndlund Nielsen, deputy rapporteur. — (DK)** The rapporteur has no strong feelings on this amendment.

**President. —** I put Amendment No 11 to the vote. Amendment No 11 is adopted.

I put paragraph 64 to the vote.

Paragraph 64 is adopted.

On paragraph 65, I have Amendment No 12, tabled by Mr Willi Müller and Mr Hoffmann and rewording this paragraph as follows :

65. In view of the fact that, when proposals are considered by Parliament, they are concurrently under review and often substantially amended, without any parliamentary control, by the groups of national experts and the Commission itself, requests that the rapporteurs and/or Members of Parliament should be permitted to take part, at least as observers, in meetings of the CSA and, possibly, those of the expert groups as well ;

What is the rapporteur's view ?

**Mr Brøndlund Nielsen, deputy rapporteur. — (DK)** The rapporteur's attitude is neutral, and he leaves it to Parliament to decide.

**President. —** I put Amendment No 12 to the vote. Amendment No 12 is adopted.

I put paragraphs 66 to 71 to the vote.

Paragraphs 66 to 71 are adopted.

I call Mr Nielsen for an explanation of vote.

**Mr Brøndlund Nielsen. — (DK)** Mr President, technical difficulties prevented me from speaking yesterday on behalf of the Liberal Group, and I should therefore like to give a brief explanation of vote.

We shall vote for this report by Mr Caillavet, but I would point out that it is in the nature of a study, and can be traced back to the seminar held by the Committee on Agriculture in Echternach.

It must be said, especially in view of the amendments we have just adopted, that it is now more like a catalogue of views than a properly structured proposal for the Community's future agricultural policy. But this may be very useful, just as the Committee on Agriculture's deliberations on this motion for a resolution were useful. One of the directly elected Parliament's major tasks will be to help initiate a debate on longer-term guidelines. This is largely how I regard this document, with its extensive explanatory statement and the speeches made in the Committee on Agriculture. For us in the Liberal Group, the fundamentals of the common agricultural policy, as set out in great detail in the Treaty, have for the most part been a great success. It would be a grave mistake to attempt radical changes, and, as I have said before, to do so would quite possibly conflict with the Treaties themselves.

I must also refute the talk we frequently hear of changing the emphasis of the Community's agricultural policy. The aim is to supply European consumers with plentiful foodstuffs at reasonable prices, and this can only happen if they are produced by farmers whose incomes are reasonable by comparison with incomes in other occupations, for otherwise production would gradually cease ; and it can only be maintained if these farmers have reasonable working conditions and are spared the physical attrition traditionally associated with the severity of life on the land. Only if these conditions are maintained in the long term can we ensure that the consumer will have plentiful supplies of cheap food. I thus feel that the price policy and the existing system as a whole, the intervention system and structural measures to aid the modernization and rationalization of farms, are central to the common agricultural policy.

I should also like to warn against any sudden halt in the current modernization of stock farms and dairy farms in the Community. This has been a real blessing, not only to those who have been saved a lot of hard physical labour, but also because it has enabled foodstuffs to be produced plentifully and efficiently — and therefore cheaply — under hygienic conditions, so that there can be complete confidence in the quality of the product.

I do not wish to add anything further, other than to recommend adoption of the Caillavet report, even as it now stands amended.

**President. —** I put, thus amended, the motion for a resolution as a whole to the vote.

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

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**President. —** I put to the vote the *Fellermaier and Pisani motion for a resolution (Doc. 155/79): Review of the common agricultural policy.*

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

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

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**President. —** We proceed to the motion for a resolution contained in the *Pisoni report (Doc. 87/79): Regulation on the market in wine.*

I put the preamble to the vote.

The preamble is adopted.

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President**

On the sole paragraph, I have Amendment No 1, tabled by Mr Hughes and Mr Hoffmann and replacing this paragraph by the following :

Approves the Commission's proposal.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put the sole paragraph to the vote.

The sole paragraph is adopted.

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

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

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**President.** — I put to the vote the motion for a resolution contained in the *Hansen report (Doc. 79/79): Calculation of MCAs in the wine sector.*

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

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**President.** — We proceed to the motion for a resolution contained in the *Tolman report (Doc. 182/79): Regulation in isoglucose.*

I call Mr Hughes on a point of order.

**Mr Hughes.** — Could I ask the representative of the Commission to advise the House as to the legal standing of this report, in the light of the Court's ruling on isoglucose? We may well be voting to ask the Commission to do something that the Court has already ruled to be illegal.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) I have nothing to add to what was stated yesterday by my colleague Mr Gundelach.

**President.** — I put the motion for a resolution to the vote.

The motion is rejected.

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**President.** — We proceed to the motion for a resolution contained in the *Howell report (Doc. 115/79): Situation in the milk sector.*

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have Amendment No 1, tabled by Mr Howell and rewording this paragraph as follows :

1. Expresses concern regarding the chances of success of the course followed by the Commission in its efforts to find a solution to the problems of overproduction in the milk sector, even if the measures taken to date were to be strengthened;

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraphs 2 to 7 to the vote.

Paragraphs 2 to 7 are adopted.

On paragraph 8, I have two amendments tabled by Mr Howell :

— Amendment No 2, amending the first part of this paragraph to read as follows :

8. Does not consider that a system of rigid production quotas based on strict limits on what the individual farmer is allowed to produce is feasible for the whole Community ;  
(three indents deleted)

— Amendment No 3, amending the second part of this paragraph to read as follows :

Urges the Commission, therefore, to reconsider the present regulation on producer co-responsibility in the dairy sector ;

(subparagraphs (a), (b) and (c) deleted)

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put Amendment No 3 to the vote.

Amendment No 3 is rejected.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

I put paragraphs 9 to 12 to the vote.

Paragraphs 9 to 12 are adopted.

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

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

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**President.** — I put to the vote the motion for a resolution contained in the *Nielsen report (Doc. 127/79): Marketing and processing of milk products.*

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

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<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President.** — We proceed to the motion for a resolution contained in the *Lemp report (Doc. 130/79): Fisheries*.

I put the first six indents of the preamble to the vote.

The first six indents of the preamble are adopted.

After the sixth indent of the preamble, I have four amendments tabled by the Committee on Agriculture, each adding a new recital at the end of the preamble :

— Amendment No 1 :

- having regard to the very serious economic and social problems created in certain major fishing regions as a result of the closing of fishing grounds by the extension of fishing limits by third countries ;

— Amendment No 2 :

- having regard to the need to restructure the Community's fishing-fleet as a result of the loss of fishing grounds the need to conserve fish stocks and increases in costs ;

— Amendment No 3 :

- having regard to the lack of an adequate Community policy on fisheries education and training ;

— Amendment No 4 :

- having regard to the report of the Subcommittee on Fisheries on a fact-finding mission to the ports and fisheries educational and training centres on Humber-side (PE 58.025/Ann.) ;

I call Mr Hughes.

**Mr Hughes, deputy rapporteur.** — These four amendments and Amendments Nos 5 to 9, which we shall be reaching later, were adopted unanimously at the meeting of the Committee on Agriculture earlier this week.

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

Amendment No 1 is adopted.

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I put paragraphs 1 to 11 to the vote.

Paragraphs 1 to 11 are adopted.

After paragraph 11, I have five amendments tabled by the Committee on Agriculture, each of them adding a new paragraph :

— Amendment No 5 :

- 11a. Urges, at the same time, that the Commission show much greater flexibility in coordinating the different factors of external policy — fisheries, market access, tariff-levels, etc. — so as to facilitate improved access to third country fishing grounds ;

— Amendment No 6 :

*A common policy for fisheries education and training*

- 11b. Underlines the drastic decline in the numbers of deep-sea fishing vessels as a result of the extension of fishing limits by third countries, resulting in a change in the structure of the Community's fishing fleet, with a greater emphasis on middle-water and inshore vessels ;

— Amendment No 7 :

- 11c. Considers that this restructuring of the Community's fishing fleet and the facilitation of the introduction of a common fisheries policy necessitate the retraining of fishermen, so as to coordinate educational and training resources, develop links between those responsible for training, promote research and exchange of information and establish the capability to provide specialist advice and technical assistance, particularly as part of a wider policy of fisheries development, especially with the Lomé countries ;

— Amendment No 8 :

- 11d. Believes that a Community policy on fisheries education and training would be best implemented by setting up a network of fisheries training centres in the Member States ;

— Amendment No 9 :

- 11e. Calls on the Commission to finance a feasibility study to investigate the present and future training requirements in each Member State ;

I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

I put Amendment No 6 to the vote.

Amendment No 6 is adopted.

I put Amendment No 7 to the vote.

Amendment No 7 is adopted.

I put Amendment No 8 to the vote.

Amendment No 8 is adopted.

I put Amendment No 9 to the vote.

Amendment No 9 is adopted.

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

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

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President.** — I put to the vote the motion for a resolution contained in the *Corrie report (Doc. 116/79): Fish-farming.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Hughes report (Doc. 105/79): Enzootic leukosis among cattle.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Hughes report (Doc. 76/79): Nervous diseases in pigs.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Brégègère report (Doc. 85/79): Regulation on the Perustitza and Erzegovina varieties of raw tobacco.*

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

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**President.** — We proceed to the motion for a resolution contained in the *Brugger report (Doc. 129/79): Directive on the protection of animals during international transport.*

I call Mrs Dunwoody for an explanation of vote.

**Mrs Dunwoody.** — Mr President, this report, I think, is not as exhaustive as it should be. It does seem a very great pity that this Parliament could not organize a public hearing on the whole question of the transport of animals. The Royal Society for the Prevention of Cruelty to Animals in Britain has a great deal of detailed evidence from very responsible inspectors, which they would like to give in public. I think it is very sad that this Parliament should be about to adopt a report that really is not nearly as far-reaching as

some of the agreements that have been reached in other international forums. I shall therefore vote against this report, and I hope that anyone who cares about animals will do likewise.

**President.** — I put the motion for a resolution to the vote.

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

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**President.** — I put to the vote the motion for a resolution contained in the *Ligos report (Doc. 183/79): Regulation on Community citrus fruit.*

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

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**President.** — We now proceed to the motion for a resolution contained in the *Hansen report (Doc. 180/79): Regulation on the oil-production register.*

I put to the vote the first five indents of the preamble.

The first five indents of the preamble are adopted.

After the fifth indent, I have Amendment No 1, tabled by Mr Nielsen and adding the following recital:

— whereas, having regard to the statistical implications of this operation, it is necessary to examine whether this system can be used for agricultural statistics in general,

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

After the preamble and before the sole paragraph, I have Amendment No 2, tabled by Mr Nielsen and inserting the following new paragraph:

1. Requests that the decentralized facilities used to draw up statistics for the register of olive cultivation also be used to collect statistics and conduct surveys on Community agriculture;

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put the sole paragraph to the vote.

The sole paragraph is adopted.

**President**

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

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

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**President.** — I put to the vote the motion for a resolution contained in the *Früh report (Doc. 181/79): Regulation on aids to hop-producers.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Albertini report (Doc. 184/79): Communication on forestry policy in the Community.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Kavanagh report (Doc. 101/79): Activities of fisheries auxiliary vessels.*

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

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**President.** — I put to the vote the *Caillavet motion for a resolution (Doc. 177/79): Development and training for rural life.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Sandri report (Doc. 44/79): Regulation on the creation of a European Cooperation Agency.*

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

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**President.** — We proceed to the motion for a resolution contained in the *Nyborg report (Doc. 111/79): Communication on working conditions.*

I put the preamble to the vote.

The preamble is adopted.

Before paragraph 1, I have Amendment No 1, tabled by Lord Murray of Gravesend and inserting the following new paragraph :

1. Notes with satisfaction that, in this communication, the Commission has complied with the European Parliament's wish that the Community should, within reasonable limits, tie commercial cooperation to respect for the most fundamental labour standards ;

What is the rapporteur's view ?

**Mr Nyborg, rapporteur.** — (DK) I cannot accept this amendment, nor any of the other amendments.

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

Amendment No 1 is adopted.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

On paragraph 2, I have Amendment No 2, tabled by Lord Murray of Gravesend and replacing this paragraph with the following text :

2. Is strongly opposed to the limited nature of the Commission's proposal, which deals exclusively with the observance of minimum labour standards in the developing countries, although discrimination based on race, sex, national and social origins, together with inhuman working hours and the employment of children under 14, is a phenomenon encountered in a large number of the European Community's trading partners which cannot by any means be classified as developing countries ;

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is rejected.

On paragraph 3, I have Amendment No 3, tabled by Lord Murray of Gravesend and rewording this paragraph as follows :

3. Believes that the four minimum labour standards which the Commission has decided on represent an absolute minimum and that, as experience is gained regarding the respect of human rights in the countries concerned, it should be considered whether the granting of preferences should not be made conditional on the observance of other fundamental labour standards ;

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

After paragraph 3, I have three amendments tabled by Lord Murray of Gravesend, each introducing a new paragraph :

— Amendment No 4 :

- 3a. Considers also that the exception made with respect to the employment of children in small-scale undertakings and agricultural undertakings producing

<sup>1</sup> OJ No 0.

## President

exclusively for the local market is dangerous in that the existence of just such undertakings is often a major characteristic of the economies of the developing countries, and also it would be difficult to check whether all or some of the goods produced were not really intended for export;

## — Amendment No 5 :

- 3b. Recommends the Commission to be particularly vigilant in ensuring that the obligation to observe a certain number of minimum labour standards does not develop into economic reprisals against countries which do not share the moral concepts prevailing in the European Community or into a covert form of protectionism against third countries which are at present flooding the Community with cheap goods ;

## — Amendment No 6 :

- 3c. Is of the opinion that possible sanctions should be limited to areas which do not directly affect the satisfaction of the local population's most fundamental needs ; whereas the sanctions may take the form of suspending project aid and withdrawing certain exemptions from customs duties and levies, food aid must not be made conditional on the observance of certain fundamental labour standards ;

I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

I put Amendment No 6 to the vote.

Amendment No 6 is adopted.

I put paragraphs 4 to 8 to the vote.

Paragraphs 4 to 8 are adopted.

I call Mr Nyborg for an explanation of vote.

**Mr Nyborg.** — (DK) Mr President, as most of those present today were absent yesterday when we debated this matter, I should like to explain my vote ; in brief, what I have said in the report is what the Committee on Development and Cooperation asked me to say on their behalf. That is not to say that I agree with the views it contains, which is why I voted as I did.

**President.** — I put, thus amended, the motion for a resolution as a whole to the vote.

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

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**President.** — I put to the vote the motion for a resolution contained in the *Caro report (Doc. 151/79): European Youth Forum.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Notenboom report (Doc. 167/79): Regulation on own resources.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Martinelli report (Doc. 174/79): Regulation on imports of adult bovine animals from Yugoslavia.*

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

## 6. Trial of Mr J. Sabata

**President.** — The next item is the motion for a resolution tabled by Mr Glinne, on behalf of the Socialist Group, on the trial of Mr J. Sabata (Doc. 168/79).

I call Mr Glinne.

**Mr Glinne, rapporteur.** — (F) Mr President, the motion for a resolution which I have the honour of moving on behalf of my group and, I have no doubt, on behalf of other democrats in this Assembly speaks for itself. Nevertheless, I should like to read out part of a letter sent from Vienna on 22 April of this year and written by the son of the person concerned :

Dear Friends :

I turn to you for solidarity and support. My father, member of the Czechoslovak Communist Party for many years, member of the Central Committee in 1968 and one of those who inspired the 'Spring of 1968', was excluded from this party in 1970 for the sole reason that he showed his disagreement with the occupation of Czechoslovakia by Soviet troops and the course taken by political developments. In 1971, he was arrested and sentenced to six-and-a-half years' imprisonment, because his opinions did not correspond to the policy of normalization which was the official line. It was his Marxist convictions, his profound sense of justice and humanity and his intrinsic honesty that he had to thank for passing five years in prison. On his release in December 1976, before his sentence was completed, he joined the movement for the respect and defence of human rights in Czechoslovakia, 'Charter 77'. In April 1978, he became one of its three spokesmen. Being an embarrassment to the present regime, he was re-arrested in October 1978 and sentenced under a false pretext to nine months' imprisonment. Today, a fresh trial, which may well sentence my father to a further eighteen months' imprisonment, the remainder of his 1971 sentence, which had been suspended, is imminent. My father is seriously ill : he has survived two heart attacks and is suffering from a spinal complaint and a duodenal ulcer. Any further stay in prison may well mean a considerable deterioration in his condition. Consequently, I fear for his health and for his life.

**Glinne**

That, Mr President, ladies and gentlemen, is the passage I wanted to draw to your attention from the letter written by the son of the accused, Mr Sabata. I must add, Mr President, that unfortunately the Prague court yesterday sentenced the accused man to the eighteen months that had been anticipated. It is nevertheless opportune, relevant and indeed imperative on both the human and the political plane that the protest submitted to our Parliament be adopted, even though it comes the day after the sentence has been pronounced.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) On behalf of Commission, I wholeheartedly agree with the resolution now moved by Mr Glinne.

**President.** — I call Mr Sandri.

**Mr Sandri.** — (I) Mr President, since the representatives of my group will not be able to participate in the work of the Assembly right to the end of this sitting, may we state straight away that we fully support the motion for a resolution presented by Mr Glinne.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it is, will be put to the vote at the end of the sitting.

The debate is closed.

### 7. Appointment of a Community Ombudsman

**President.** — The next item is the report by Sir Derek Walker-Smith, on behalf of the Legal Affairs Committee, on the appointment of a Community ombudsman by the European Parliament (Doc. 29/79).

I call Sir Derek Walker-Smith.

**Sir Derek Walker-Smith, rapporteur.** — Mr President, because of our crowded agenda I will try to keep my speech as short as is compatible with what is a very important subject. My report, as the House will see, deals with the appointment of a Community ombudsman by the European Parliament. I say an ombudsman; perhaps it is more strictly a question of a parliamentary commissioner. These terms are in popular language used indiscriminately — certainly in the United Kingdom — but what I recommend, as the House will see, is a commissioner with less than the full customary powers of an ombudsman, for reasons which I shall explain in a moment.

This report concerns one aspect of the rights of the citizen, a subject close to the hearts of all parliamentarians. It has certainly been close to my heart in all my long years as parliamentarian and lawyer, and during the last six-and-a-half years as a Member of this Parliament. The report, which I now commend to the

House, is the product of long consideration, deep thought and much concentration. It is a matter about which, as I say, I have been thinking for many years. I referred to it some years ago in this city, indeed, at the Club Kirchberg and later on, also in this city, at the conference of the European Court of Justice.

The proposal was enshrined in a resolution tabled by my group in the Parliament, which was sent to the Legal Affairs Committee as the committee responsible and to the Political Affairs Committee and the Committee on the Rules of Procedure for their opinion. I am indeed grateful to these committees, and in particular to the draftsmen of the opinions, Mr Holst and Mr Rivierez, for their consideration and advice, and of course for the close interest of, and informed discussion among, my colleagues in the Legal Affairs Committee, from all of which my thinking has greatly benefited; and also for the help and work of the secretariat of that committee, to whom I am grateful. As a result, my report comes to this House without a single dissenting voice, and with only one abstention, a Member who is not, I think, among those present today.

First, before giving the substance of the report, a short word as to the concept of the ombudsman, and the circumstances which have led to its adoption in some countries of the Community and elsewhere in the world. The institution of ombudsman has evolved as a response to a deep-felt need, a need felt by the ordinary citizen, often puzzled, often anxious, for guidance and protection when faced with actions and decisions by public authorities, which seem to him to be anonymous and invisible.

Modern conditions, the growth of the power of the State and its increasing involvement in the lives of the citizens, have caused the rapid increase in the number and role of national ombudsmen, as set out in paragraph 1 of the explanatory statement. It is an increase which can confidently be expected to continue. But national and regional ombudsmen deal with national and regional law and administration. Clearly the increasing role and application of Community law has created a new situation with new needs, and it is our duty here to see how far these can be met within the parameters of the possible. It is to the analysis of this that my report is primarily directed.

Section II of the explanatory statement sets out, in paragraph 4, the questions for enquiry — two basic and six consequential. The two basic questions are those of need, and what type of ombudsman would best answer the needs of the Community citizen. Then the ancillary questions: the legal instrument for his creation, the method of appointment, his powers and duties, the procedure for complaints, his links with this Parliament, of which he would be, as it were, the servant but not a Member, and finally his relations with the ombudsmen in the national States.



## Sir Derek Walker-Smith

In Section II, I identify the keen interest in, and indeed support for, this concept, which suggests an affirmative answer on the question of need. Paragraph 6 deals with the Council of Europe. Paragraph 9, and the letters in the Annex to the report, deal with the attitude of the national ombudsmen within the Community, with all of whom I communicated and to whom I am very grateful for their response. Paragraph 10 deals with the opinion of the Political Affairs Committee, which is annexed to my report. It gives a highly positive conclusion, stressing the value of such an institution for giving the Community a more human look, a more democratic and less technocratic aspect than it has at present. I summarize my conclusion as to the need in paragraph 11 of the explanatory statement.

The role and function of the commissioner are dealt with in Section III. It is logical to start with an analysis of the operation of Community law and its effect on the citizen. Consequent to Article 189 of the Treaty, of course, the extent of the Community's involvement in the affairs of the citizen varies considerably. I identify four categories, in descending order of direct application, in paragraphs 14 to 17 of the explanatory statement: first, where there is direct administration, for example competition policy; second, where there are detailed guidelines, for example customs and tariffs; third, where there is some discretion in the Member States, for example in the national allocation of Community funds, such as the Regional and Social Funds and the Guidance Section of the EAGGF; fourth, where there is a larger discretion, as in some directives.

This complex pattern, to quote my words in paragraph 18 of the explanatory statement, only increases the individual's feeling of powerlessness in the face of an anonymous Community, for he often does not know where to go in order to lodge his complaint or get redress for his grievances. This analysis identifies the very valuable role for a Community ombudsman or Parliamentary commissioner. His general role should, therefore, be to act as a focus for the complaints of the citizen in this complex situation. Of course, the complexity of the administration and the form of the Community also imposes constraints. These are identified in paragraphs 19 to 21 of the explanatory statement.

Our task, then, recognizing the need but accepting the constraints, is to decide on the type of official which will best serve the needs of the Community. In theory there are two possibilities.

First, an ombudsman on traditional lines with full powers of investigation; but this would involve a new institution and entail an amendment to the Treaty, with all the uncertainties and delays inherent in this procedure, and might, indeed, be unwelcome in some Member States. This position is accepted in the last paragraph of the preamble to the motion for a resolu-

tion, and I hope I may be allowed, Mr President, slightly to amend that paragraph by adding the words 'on traditional lines' after the words 'Community ombudsman' by reason of the interchangeability in popular language to which I referred earlier. With the insertion of those words I think the position becomes clear.

Then there is a second, more limited, but still very valuable possibility, which is set out in paragraph 24 of the explanatory statement. This would involve the appointment of an ombudsman or commissioner with powers delegated by the European Parliament. He would be able to receive complaints from Community citizens, either directly or via a Member of this Parliament, investigate the complaints and report his findings both to the complainant and to Parliament. Even if he did not have formal, wide investigatory powers, it is difficult to see how the authorities concerned would be able to refuse to give the required information. Where appropriate, he could refer complaints to national ombudsmen for investigation. This recommendation, Mr President, is given effect by paragraphs 1 to 3 of the motion for a resolution:

Decides that as a matter of principle it is desirable to institute a Parliamentary Commissioner with the task of examining complaints on behalf of the Community citizen and advising him on the means of redress available;

Instructs its Committee on the Rules of Procedure and Petitions to report on the procedure to be followed for the appointment of the Parliamentary Commissioner and on how his responsibilities are to be defined in relation to those of the Committee on the Rules of Procedure and Petitions;

Instructs its President to take all appropriate steps to enable Parliament to appoint the Commissioner as soon as possible;

I think this proposal, Mr President, constitutes the highest common factor of what is both desirable in principle and practicable in operation. It follows, I hope, the wise dictum of Cavour as to *le tact des choses possibles*, by which I always seek to be guided in my political conduct. It may, or may not, turn out to be the first step towards further progress, but in any event, and of a certainty, it will, in this necessarily limited form, constitute a valuable step forward and will serve an immediate and important purpose.

Mr President, I respectfully ask the House for its assent and adoption of this report.

### 8. Draft supplementary budget No 2 for 1979 (vote)

**President.** — The next item is the oral report by the Committee on Budgets and the vote on draft supplementary budget No 2 of the European Communities for the 1979 financial year (Doc. 186/79), on which the Council has consulted Parliament, pursuant to the provisions of the Treaties, and which includes Parlia-

## President

ment's estimates, which Parliament adopted yesterday. Since the draft is identical with these estimates and since no amendments have been tabled, the Committee on Budgets considers it unnecessary to give an oral report.

I accordingly put to the vote draft supplementary budget No 2 of the European Communities for the 1979 financial year.

Draft supplementary budget No 2 of the European Communities for the 1979 financial year, in the form in which it has been sent to us by the Council, is approved.

As the procedure laid down in the budgetary provisions of the Treaties has thus been completed, I declare supplementary budget No 2 of the European Communities for the 1979 financial year to be finally adopted.

This budget will be published in the Official Journal of the European Communities.

### 9. Appointment of a Community Ombudsman (contd)

**President.** — The next item is the resumption of the debate on the Walker-Smith report (Doc. 29/79).

I call Mr Broeksz to speak on behalf of the Socialist Group.

**Mr Broeksz.** — (NL) Mr President, ladies and gentlemen, I think Sir Derek can be congratulated on his own-initiative report.

There is something rather peculiar about it, however, because the title of the report gives the impression that it is about the appointment of a Community ombudsman, but on reading the text of the motion for a resolution it becomes clear that the report is in fact about the appointment of a Parliamentary Commissioner.

I have to confess, Mr President, that the members of my group are not all of the same opinion on this matter. Consequently, my group is not at present very enthusiastic about taking a decision on this. However I do not think that that matters very much because the proposal still stands.

As there is little time at our disposal, I shall not add much to what Sir Derek said. It is true that if this proposal were adopted a very large number of Community citizens might benefit from it, but on one point I think Sir Derek is a little optimistic. He says he does not know the views of the Commission and Council on this but is sure that information will be available at any time.

I am not so sure of this myself. The situation is not the same as in a national parliament when it is decided to appoint an ombudsman. In the latter case, the ombudsman has all the influence and power of the parliament behind it. The type of ombudsman, or rather Parliamentary Commissioner, proposed here,

however, will have only the backing of this Parliament, assuming he is to get even that. I therefore think it is of the utmost importance that the Commission and Council should be in agreement with this idea. If this commissioner is to give information to Community citizens on request, he in his turn will have to apply for this information to the Commission and the Council, and the difficulties that this involves must not be underestimated. The officials of what we call the fourth power have so far shown no inclination to give their opinions or inform the public about the decisions that have been taken. It is therefore most important not only that this proposal should be approved by a large majority in this Parliament but that we should have some assurance that it will receive the approval of the Commission and Council.

I personally regard this as a *conditio sine qua non*, and I think the rest of my group takes the same view. I can only hope, therefore, that in the first place the Commission, but the Council too, will show its approval of this idea and that when this Parliamentary Commissioner is appointed officials will be instructed to provide him with all the information he requests. Subject to those conditions, Mr President, I give my full personal support to the report, though unfortunately I cannot assure you of the support of my group.

**President.** I call Mr de Gaay Fortman to speak on behalf of the Christian-Democratic Group (EPP).

**Mr de Gaay Fortman.** — (NL) Mr President, it is my privilege to pay tribute to the rapporteur, Sir Derek Walker-Smith, who has presented us with a highly succinct and clearly-written report. It is obviously the work of a man of great legal knowledge and experience. It is an authoritative report imbued with a sense of realism but stopping well short of opportunism. As the report is so clear and meets with our approval, I can confine myself to one or two minor comments. The first of these concerns Section I of the explanatory statement, i.e., the introduction, which I must confess I have not read.

This negligence on my part is particularly reprehensible in that in 1976, when I was Minister of Foreign Affairs, I submitted to my parliament a proposal for the appointment of a commissioner. This proposal has still not been considered by my national parliament. I regret this omission on my part. It might, of course be asked how it was possible for me, of all people, to be guilty of such an omission. Perhaps I might reply, as Sir Derek often does, by a Latin dictum: *Prolegomena non leguntur*, i.e. it is not the custom to read introductions, which demonstrates once again that sayings are often based on mistaken ideas.

Paragraphs 24 and 27 of the explanatory statement bear witness to the realism of the rapporteur and the Legal Affairs Committee which has supported him. The Parliamentary Commissioner will initially have no more than the power to establish which authority

**de Gaay Fortman**

is responsible for the decision being challenged. He will then inform the complainant how he may secure redress where there are means of doing so. In most of our countries this is possible in the vast majority of cases. The rapporteur is right, I think — in this respect that the commissioner's powers will eventually increase, which may lead to a regulation officially appointing a Community ombudsman.

I do, of course, agree with Mr Broeksz — and I think Sir Derek does too — that the cooperation of the Council and the Commission will be essential for this Parliamentary Commissioner, despite his limited powers. And it seems to me that now that the procedure, as we hope, for the appointment of the Parliamentary Commissioner has been set in motion, we should ascertain whether we can count on the cooperation of the Council and the Commission. I personally cannot imagine such an official's being refused cooperation.

The personal qualities of the person holding this office are of immense importance, more so than for other public offices. We believe that the following qualities are indispensable: integrity, natural authority, determination, wisdom and a thorough knowledge of Community law and of the way in which the Community institutions function and the relationships between them. Finally, he should also be familiar with the national administrative law of the Member States of the Community. He cannot, of course, manage all this alone and must therefore have his own staff to assist him.

My group hopes that it will be possible to appoint a Parliamentary Commissioner in the very near future and that experience will show that this office and the manner in which it is exercised constitute a welcome strengthening of the legal protection of the individual in the Community.

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

**Mr Rivierez.** — (*F*) Mr President, this dossier — if I may call it that — has been building up over the course of several months. It began with the Parliament's own-initiative report on a perfectly clear-cut question: the worthwhileness of instituting a European *médiateur*, — an ombudsman, to use the popular expression.

This was referred by Parliament to the Legal Affairs Committee, as the committee responsible, and, among others, to the Committee on the Rules of Procedure and Petitions for its opinion. I was the draftsman for this committee, and we had a meeting on the subject. Those present by no means took the view that it was a good idea to institute European *médiateurs*, and at that time it was my intention to submit an opinion along these lines; but in the end no opinion was conveyed by the Committee on the Rules of Procedure and Petitions to the Legal Affairs Committee. Since then, things have changed in so far as we began with the idea of instituting a European *médiateur* and

are now concerned with the question whether it would be worthwhile instituting a Parliamentary Commissioner who would have neither the powers nor the responsibilities generally associated with ombudsmen such as we know them in the Member States. In Sir Derek's report, you will find the correspondence he has had with the principal ombudsmen in the Member States, who would appear to have offered this idea a favourable welcome but nonetheless gave cautious replies: what these amounted to was that an encroachment upon the powers of these national ombudsmen was undesirable.

In the end, Sir Derek has conceived a more modest ambition: what he proposes to us, with the support of the Legal Affairs Committee, is the institution of a Parliamentary Commissioner charged with examining complaints from citizens of the Community and advising them on the means of redress available. He instructs — or rather, he asks the House to instruct — the Committee on the Rules of Procedure and Petitions to report on the procedure to be followed for the appointment of the Parliamentary Commissioner and on how his responsibilities are to be defined in relation to those of the Committee on the Rules of Procedure and Petitions.

The curious thing about the whole affair is that a parliamentary institution already exists for this purpose: the Committee on the Rules of Procedure and Petitions. One might have thought that the activities of this committee, which could have been defined more precisely or perhaps even extended, were sufficient to satisfy citizens' needs; but now this committee is to be duplicated by a Parliamentary Commissioner! What is to be his role in relation to the tasks of the Committee on the Rules of Procedure and Petitions? It may be replied that the committee is going to define this role very well, but what disturbs my group — and this is why its members have asked me not to commit them — is that this Parliamentary Commissioner will have already been instituted by this motion for a resolution, if it is adopted. We should have preferred to see the Committee on the Rules of Procedure and Petitions being asked to study the whole question of the worthwhileness of such a parliamentary institution and of the responsibilities to be assigned to it.

Another thing that disturbs the members of my group is that this Parliamentary Commissioner is to be required to offer the citizen recommendations, to advise him on the means of redress available. This means that he would have to be a lawyer, a legal adviser, and consequently would be consulted as counsel if consulted, since he would be giving advice on the means of redress available to the citizen in specific cases. His responsibilities would therefore have to be further extended, and this is yet another reason for carefully considering the advisability of setting up this institution.

**Rivierez**

My group has therefore asked me to submit its views to the House and at the same time to leave its members free to decide for themselves how they will vote.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) I wish to associate myself entirely with Mr Rivierez's remarks. I noted a certain hesitancy in the Socialist Group's attitude towards this proposal, and a slight reluctance on the part of the Christian Democrats. We feel that, basically, there are enough institutions. We in Denmark know quite a bit about the Ombudsman system, as it has existed in our country for many years now. I would venture to say that it has not been an unqualified success, and I therefore regard it as a trifle odd that we should be debating a matter today which largely falls within the purview of the Committee on the Rules of Procedure and Petitions. It is wrong that we have had no clear statement from that committee of its views on the question. In my opinion, it would be wrong for Parliament to debate the matter without obtaining such a statement. I don't know — perhaps I should recommend Sir Derek Walker-Smith to withdraw his proposal until the Committee on the Rules of Procedure and Petitions has given us its opinion and we can discuss the proposal properly here in Parliament.

**President.** — I call Sir Derek Walker-Smith.

**Sir Derek Walker-Smith, rapporteur.** — I will only take up a very few moments out of courtesy to those gentlemen who have been good enough to contribute to this discussion, to thank them for their interventions.

First, may I express regret that I omitted in paragraph 9 of the explanatory statement the reference to the Netherlands Ombudsman and would ask Mr de Gaay Fortman to accept my apologies and also Mr Broeks as well.

On the matter raised by Mr Broeks as to the acceptability of such an appointment to the Commission and the Council of Ministers, I think we can fairly confidently assume the sympathetic cooperation of the Commission. The House will have seen the text of the answer given by the President himself as set out in paragraph 5 of my report, that statement of course being given *coram publico* in this House. I should also say that we had the benefit at the definitive meeting of the Legal Affairs Committee of the presence and assistance of our distinguished friend Mr Olmi, the deputy director of the Legal Services of the Commission. So I express myself fully optimistic as to the cooperation of the Commission.

As to the Council of Ministers, this is very important, and of course one cannot speak perhaps with the same precise confidence because the composition of the Council of Ministers varies from time to time, but

the nature of ministers does not vary. It has been my privilege to know a great many ministers in a great many countries in Europe and elsewhere, and to have been a minister for five years myself in three different departments, and the one thing that does not change is the responsiveness of ministers to the pressures and attentions of parliaments — democratically-elected parliaments — when those pressures are properly applied. We hear a lot about the functions and opportunities of the directly-elected Parliament, of which I shall not myself be a Member, but I hope that some of my colleagues who have spoken will. This is an opportunity for them to get the cooperation of the Council of Ministers in these matters which affect so dearly the hearts and lives of the ordinary citizens of the Community.

It is on purpose, as I have said, that this proposition is put forward in this modified form — not without reference, as Mr Nyborg seemed to think, to the opinion of the Committee on the Rules and Procedure and Petitions. On the contrary, I studied carefully the opinion of Mr Rivierez, as I said, and took it fully into account in the report which I have here written and present to the House. If one looks at the report as to those who were present at the meeting of the Legal Affairs Committee where this report was adopted, with all in favour except for one abstention, it will be clear that all groups were there represented. It may be that there was not a Communist and Allies Group member there, but I have no reason at all to think that they are otherwise than sympathetic to this proposal.

Finally, as to the point raised by Mr Nyborg, and to some extent my valued colleague, Mr Rivierez, in regard to any conflict of interest between such an appointment and the petitions procedure of this Parliament let me just say to them this: I have been a member for over 30 years of a parliament with the longest history of petitions in the whole world. We did not find that that was a reason for not appointing a parliamentary commissioner in 1967. And I can testify, over the 12 years of our parliamentary commissioner's work in the United Kingdom, to the great help it has been to the citizen, and what a powerful reinforcement it has been, in spite of our petitioning procedure, to the rights of the citizen. And I can testify, having served in parliament both before and after the creation of this office, that it has been wholly beneficial, as was testified to also by my British colleagues from other groups in the course of our discussions.

So with those words, and again thanking those who have contributed to this, and having, I hope given a measure of reassurance to them on the points and niceties which they have raised, I commend this on its own merits. If Mr Rivierez or others want to see a fuller type of ombudsman hereafter, well, it may be a

**Sir Derek Walker-Smith**

case of *c'est le premier pas qui coûte*, but at any rate it is a valuable step and I hope it will commend itself to this House.

**President.** — I call Mr Jakobsen.

**Mr Jakobsen.** — (DK) Mr President, I feel I must speak, as I too come from the country Mr Nyborg was speaking of, and where this institution exists. I do not disagree with Mr Nyborg when he says that it has not been entirely successful, but so what? Is anything ever an unqualified success? I would not claim that the institution has not been misused by troublemakers or has never been shown to act. But that is the situation we face as Members of Parliament, and that is the situation this Parliament will find itself increasingly in as it acquires more influence. We shall encounter hostility and incomprehension. In such cases, such an institution would act as a buffer and could investigate matters. The idea is good. I do not wish to get involved in the technicalities, but I feel we should be grateful to the European Conservative Group for realizing that this point will arise when Parliament has wider powers in various fields. In any case, I think that one point we can agree on is to thank Sir Derek for using so much of his time and his long parliamentary experience to go into this question so thoroughly, thereby facilitating the new Parliament's choice in the matter. As a citizen of one country where this institution is well established, I felt that these things should be said.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, I should like to begin by telling the rapporteur that his confidence in the Commission's willingness to cooperate is well-founded. As he himself recalled, the President of the Commission, in reply to an oral question from Mrs Ewing, had, as long ago as January 1977, welcomed the idea of instituting a Community ombudsman. On that occasion, Mr Jenkins emphasized that the Commission had always striven to take action in response to protests relating to its activities and submitted by citizens of the Member States. Naturally, the Commission will continue to do so whenever such complaints are transmitted to it by an ombudsman instituted by the European Parliament.

On the legal and institutional aspects, the Commission entirely shares the views of the rapporteur. An ombudsman charged with examining complaints from Community citizens and advising them on the means of redress available, as laid down in paragraph 1 of the motion submitted to Parliament, presents no problems. On the other hand, an ombudsman conceived as a new Community institution could only be instituted by way of a modification of the Treaties.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

#### 10. *Directive on the auditing of accounts of limited liability companies*

**President.** — The next item is the report (Doc. 173/79) by Mr Shaw, on behalf of the Legal Affairs Committee, on

the proposal from the Commission to the Council for an eighth directive pursuant to Article 54 (3) (g) of the EEC Treaty concerning the approval of persons responsible for carrying out statutory audits of the annual accounts of limited liability companies.

I call Mr Shaw.

**Mr Shaw, rapporteur.** — Mr President, let me start by saying that this document has intentions which are agreed upon by everybody. At the outset of our discussions, I think we all felt that we could agree to every aspect of it, but as we discussed it, although our objectives were the same, certain differences of view in approaching that end did appear, with the result that whilst the basic document is sound, some of the explanations and so on, I am afraid, are a little hurried and perhaps not given in the way we should have liked had we had plenty of time. But we have spent time on the text, which I believe is valid, and that is entirely due to the hard work of those members of the Legal Affairs Committee who joined with me in discussing this document.

Its purpose is to lay down the conditions for granting approval to carry out statutory audits of the annual accounts of limited liability companies. Although some Member States require statutory audits to be carried out by highly qualified persons, this is not the rule in all cases, and for this reason the proposal for an eighth Directive is designed to provide shareholders, workers and third parties, for example creditors, with equivalent guarantees on the quality of the statutory audits. It is not intended either to introduce the automatic recognition by one State of diplomas, certificates or other qualifications required in another; it is merely setting down minimum standards. So it is only the first stage in what may be quite a long process: I hope it will not be too long, because I am sure that the quicker we reach the freedom to carry out audits throughout the Community the better, but certainly that objective is not for today. So the implementation of this eighth Directive will provide guarantees that in the Member States only persons who have the necessary professional qualifications, are of good repute and are independent so far as their relations with the company are concerned will be authorized to carry out these statutory audits of accounts.

**Shaw**

The document has been amended as a result of the hard work that we have had in an earlier week and this week and we have concentrated on getting the essentials of the basic document — that is to say, the amendments — right. There are just one or two additional amendments that have come in, which perhaps we can deal with shortly.

I end by thanking the Commission for their hard work in assisting us at such short notice, and my colleagues for their flexibility of approach. I hope that as a result we have managed to produce a document that will be of lasting use to the Community and so serve as some small memorial to our labours this last week or two.

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

**Mr Broeks.** — *(NL)* Mr President, it is somewhat regrettable that this eighth directive is being considered so soon after the fifth directive. When the fifth directive was considered, a rule in the Rules of Procedure was invoked which, fortunately, is not often applied. If it were often applied, it would seriously obstruct the work of this Parliament. Some of us have been wondering whether we should try to get ten Members together to make sure that this matter is not considered any further.

Fortunately that has not happened. There were certain strongly political aspects to the fifth directive, but it emerged in the Legal Affairs Committee that differences of opinion concerning the eighth directive were fortunately not of a political nature. The committee investigated ways in which this directive could best be formulated for accountants.

Mr President, I share Mr Shaw's hope that this will constitute an important step along the road to free movement for accountants. This need not take much longer now. However, while it is true that we have tried to arrive at the best possible directive, this does not mean that no difficulties arose. The difficulties were, however, of a technical rather than a political nature. We therefore have no objections to the report introduced by Mr Shaw.

Attention must, however, be drawn to one or two points. For example, a number of terms have been incorrectly translated into Dutch, and this might lead to difficulties. The Dutch text of Article 4 (2) contains the expression 'annual accounts' though there is no such term in the original, and fails to mention the word 'year' in the same paragraph. It would be better to use the term 'financial report' rather than 'annual accounts'. The rapporteur has also proposed an amendment to Article 2 (2) seeking the deletion of the last part of the second indent. We are in agreement with this, because it might lead to difficulties in future in various countries.

A better Dutch translation of Article 4 was submitted at the last moment and reflected the original more accurately. However, even this improved text says that in order to be admitted to vocational training candidates must have attained university entrance level. Now I personally, and many members of my group, feel that this constitutes a regrettable restriction of access to training for accountancy. It is in fact quite possible to become an excellent accountant through specialized training followed up by on-the-job training without having previously attained university entrance level.

Mr President, I too have tabled a couple of amendments at the last moment which it was unfortunately not possible to discuss in committee. The reason for this is that at the very last moment I received a letter from the Association of Dutch Municipalities, to which all Dutch municipalities belong, enclosing a letter from the Association of Directors of Provincial and Municipal Accountancy Services. This letter explained that the directive would make it impossible for accountants employed by the province or the municipality from auditing limited companies in which the provinces and municipalities hold the majority of shares, and there are many of those in my country. This would therefore certainly give rise to great difficulties in the Netherlands.

I think it is unfortunate that this point has been made so late in the day and I would fully understand if the rapporteur or the Commission were not able to say straightaway whether they agreed with the amendments.

But even if they are not adopted, I think it would be extremely useful to draw attention to these points so as to give the Commission an opportunity to consider whether or not it should accept the minor amendments which are being proposed. If they are adopted, so much the better; if not, then I hope that they will prompt closer consideration of the matter involved.

Mr President, I think I have made most of the points I wanted to make, but before concluding I should like to thank the rapporteur sincerely for the work he has put in in connection with this directive. He knows the subject inside out. That is always a great advantage and it was something that came out very clearly during the consideration of this directive in committee. It is usually no easy task for a rapporteur to deal successfully with a technical directive of this nature, but Mr Shaw has succeeded in doing so and I extend to him my sincere congratulations.

**President.** — I call Mr De Gaay Fortman to speak on behalf of the Christian-Democratic Group (EPP).

**Mr de Gaay Fortman.** — *(NL)* Mr President, the brevity of my speech is inversely proportional to my estimation of the value of this report. This report is of

**de Gaay Fortman**

outstanding quality although it deals with a complicated subject, with which I have had practical dealings in my own country. Nonetheless, the report is extremely clear. It is also an example of the fine work done in the Legal Affairs Committee and the successful cooperation with the Commission's Legal Service, which, I am glad to see, is present here today to hear me say how much I appreciated their cooperation. My group is in agreement with the report, but I should like to make one or two comments on the amendments.

Beginning with my own amendment, which concerns the Dutch translation alone. I think the Dutch translation is in line with the English text; I have compared it very carefully with the English and I also listened to the rapporteur's explanation of the English text in committee.

Secondly, I urge you to adopt Amendment No 2, by Mr Broeks. After what he has said about this, there is no need for me to explain why this amendment is necessary.

Finally, my group accepts Amendment No 4, by Mr Sieglerschmidt, in its corrected form. It is our view that the adoption of this amendment will add conviction to the resolution.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Mr President, ladies and gentlemen, I can subscribe wholeheartedly to the praise meted out to Mr Shaw's report.

My purpose in asking for the floor was to move my amendment, Amendment No 4. When this was discussed in the Legal Affairs Committee, the decision was taken by a very small minority, and the result was that what was originally paragraph 1 of the motion was taken up as paragraph 3.

This can, I think, in part be attributed to a slight feeling of guilt, for those colleagues who voted for the retention of this paragraph were themselves not entirely at ease: hence its transfer to a less conspicuous position as paragraph 3.

I should like to say briefly what it is all about as far as I personally am concerned. It is true, as the rapporteur pointed out, that almost the same sentence is to be found in the explanatory memorandum to the Commission proposal; but to define what a directive is not in the course of an explanatory statement and to do so specifically in a resolution are two different things. This is an unusual procedure; moreover, the less well-informed reader — and we hope that from time to time our citizens, or at least those who are to some extent interested and not only experts read our resolutions — may be left with the false impression that we are not aiming for the mutual recognition of examinations or for freedom of movement with regard to services, etc. For this reason, I would urge those colleagues who are still present to vote for my amendment.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, on behalf of the Commission, I wish to thank Mr Shaw and the Legal Affairs Committee for the valuable contribution made with this report. With this eighth directive, the Commission proposes to harmonize the qualifications of experts responsible for carrying out statutory audits of the accounts of limited liability companies. Mr Shaw's report considerably improves the Commission's text and takes account of the observations made by members of the EEC Accountants' Study-group.

I come to the amendments. Mr Shaw's amendment to Article 2 appreciably improves the Commission's text. It should be noted that if the amendment is not adopted, it will follow that only those auditing companies formed after the directive has come into force will be subject to these provisions and not all such companies, including those already in existence. The situation is particularly intolerable in that, in certain Member States, numerous auditing companies are at present being formed whose capital is held by persons other than the auditors, in the hope of thus being enabled to get round the directive.

The amendment to Article 5 (3) is due to translation problems in the Dutch. The Commission wishes to assure Mr Broeks and Mr de Gaay Fortman that the text in question will be examined with the closest attention when the modified proposal for a directive is being drawn up.

The amendment tabled by Mr Broeks to Article 11 (1) involves a new phrase designed to lay down that this provision will not apply to auditors in the public service. This amendment, which is making its first appearance at this plenary sitting, cannot be accepted by the Commission and will not, I think, be accepted by a majority in this House. At all events, the Commission wishes to assure Mr Broeks that the text in question will be examined with the greatest possible attention when the modified proposal for a directive is being drawn up. This principle does not, of course, affect persons working under the supervision of an auditor who satisfies all the conditions of the directive.

**President.** — I call Lord Ardwick.

**Lord Ardwick.** — If I may say a word, I was the one on the committee who suggested taking this first paragraph and putting it in third position. I thought that we had found a satisfactory consensus and compromise. Now, I myself think it is generally very important, when we are saying what a measure of harmonization is, also to say what it is not, and that is what this paragraph does. There is more trouble in a country such as Britain about harmonization, which is not very clearly understood, than about anything else.

### Lord Ardwick

In fact, I am frequently reminded of my school days, of a volume called *Les cent meilleurs poèmes de la langue française*, which contained a poem by de Musset, I think, which began, '*Harmonie, harmonie, fille de la douleur*'. It is of course of very considerable concern in Britain. This paragraph spells it out. If you are saying that you are going to have a kind of minimum harmonization of qualifications, there are two possibilities: one is that you are going to recruit illiterate and non-numerate youths and that they will be regarded as qualified; the other extreme is that you will have to do ten years at a university and have two doctorates before you can practise the profession. So it is really a clarification, and I do hope that paragraph 3 does remain.

**President.** — I call Mr Shaw.

**Mr Shaw, rapporteur.** — First of all, Mr President, I would like very genuinely to thank those who have made a contribution today, because I am sure that as a result of our work together we have a much better document. Something that I have learnt through these last weeks — it is something I thought I had learnt a long time ago, but it has been greatly reinforced — is the difficulty of getting the same nuance of meaning in all our different languages. At the end of the day that was what our discussions were nearly always about. We were aiming at the same thing. But, in fact, the translations, through no fault of the translators, did not quite mean the same thing in every language.

If I might, therefore, go through the amendments, Mr President, may I say that I was glad to find the Commissioner confirming my view — and I must say I thank him too for his remarks — when he said that he thought Amendment No 1 was largely a question of translation. May I put it this way to Mr Broeks: obviously these points are going to be looked at again by the Commission in the light of what he has said, but if the term 'annual accounts' is taken out and the words 'financial accounts' put in, it really affects the basis of the whole directive. Article 1 specifically spells out the statutory audits of the annual accounts. That is the whole basis of the document. So it would be unwise, I suggest, to start changing the words. Certainly in the English text I suspect that when the Commission, as it has promised, compares all the texts and looks it over in the light of Mr Broeks's words, we may be able to get some agreement on that. Perhaps I have said enough on that one.

Amendment No 2, also tabled by Mr Broeks, and this is a fundamental one, concerns the accountants in the municipal service. May I put it this way to Mr Broeks: if a municipal service seeks to make use of the limited company organization to pursue one of its services or interests, it does so because there is an advantage in having that particular form of company. Now if it does it for advantage it must at the same

time accept the disciplines that everyone else has to accept when they adopt this form of organization.

One of the fundamental disciplines that we are trying to build up is that there should be a completely independent audit. I would start from the point that if municipalities are in fact going to take advantage of using the limited company formation, they must accept the discipline in exactly the same way as anybody else would accept it. For example, I cannot see how a municipal authority that sets up a limited company can then appoint one of its own employees to do the audit. Suppose a multinational company set up another company and then employed one of its employees to do the audit: this would be a very dangerous thing. But having said that, I accept the fact that the Commission will look into this. It is easy for me to talk of my experience: I have no Dutch experience and there may be factors that I know nothing of, so I think it would be right for the Commission to examine this matter once again. But may I say, finally, on this point that under Article 7, where people are entitled at law to do the audits of these companies at the present and are doing them, they can carry on for the rest of their lives, so that there is some alleviation here. It is an interim period, so that we do not cause hardship to people who are within their rights in doing these audits at the moment. But for the future new entrants will have to pass the exams. I hope that this is a full explanation of that point.

I am glad that the Commission could accept the last-minute amendment that I have put down. I hesitate as rapporteur to put down an amendment, but I did take the trouble to agree with the acting chairman, Mr Broeks — in fact, we were all agreed — that in the light of further discussions this was an improvement. Because this is one of the clauses on which, quite frankly, I lost. I was therefore unhappy. But perhaps, as a result of the compromise that we have now reached, we can all agree. It does not affect my own country, but it affects certain countries where there are limited companies doing an audit. It is a question of the people with a majority interest in the capital of these auditing companies getting rid of the majority of the capital.

Now then, although in this particular article we have abolished the period of time in which they can do it, nonetheless, the period will continue to exist in a later article, Article 13, and, provided the Member States agree to it, that will amount to no less than three years. I think that we can agree on that compromise, and I hope that the House can accept it.

So far as Mr Sieglerschmidt's comment is concerned, I can only echo the words of Lord Ardwick. I do think it would be helpful, if it is not detrimental to Mr Sieglerschmidt's views on this, if it were left in.



**Shaw**

Although, frankly, I am not prepared to go to the stake on it.

Finally, Amendment No 5. As far as I have been able to discover, this is entirely a matter for the Dutch text and I am grateful to Mr De Gaay Fortman for pointing it out. I can assure him that the texts will be looked at to ensure that they reflect, in all the languages, what he and I want. With those words I would thank the House and hope that we can reach agreement.

**President.** — I note that no one else wishes to speak. The motion for a resolution, together with the amendments that have been tabled, will be put to the vote at the end of the sitting.

The debate is closed.

11. *Carry-over of appropriations from the 1978 to the 1979 financial year*

**President.** — The next item is the report by Mr Shaw, on behalf of the Committee on Budgets, on the list of requests for the carry-over of appropriations from the 1978 to the 1979 financial year (non-automatic carry-overs) (Doc. 165/79).

I call Mr Shaw.

**Mr Shaw, rapporteur.** — Mr President, having voted appropriations in the budget, we can deplore the fact that they have not been fully utilized. But I think we would find it difficult to say that we no longer approve of the plans we had for the spending of that money. We still approve of them. We may deplore the fact that the money was not spent in the proper year; on the other hand we welcome the fact that the money is being carried over for use in the next year. That is the whole purpose of this carry-over document. I think that the reasons for the delays which have taken place ought to be examined when we look at the discharge of the 1978 budget, but not now. If, Mr President, we exclude the sums for agriculture, the amount of non-automatic carry-overs requested by the Commission is small, it is less than 54 million EUA in all. I will only comment on one of these — namely, Item 3751: investment premiums. Now this is an item to which this House attached very considerable importance when the 1978 budget was being examined, because, of course, it deals very largely with helping small companies. I think it is regrettable that for various reasons this money has not been spent usefully during the budgetary year. However, despite that one note of regret, I feel that under the circumstances, and particularly in order to encourage the Commission to actually spend the money on the original projects, we should deliver a favourable opinion on this carry-over document. And with those few

remarks, Mr President, I hope the House will give its approval.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, first of all I wish to thank the rapporteur for his favourable opinion regarding our request for the non-automatic carry-over of appropriations from the 1978 to the 1979 financial year. This is a by now familiar procedure which is specifically provided for in the Financial Regulation and which is applied to those appropriations which could not be utilized before the end of the preceding financial year.

I have only one point to make. Following on the adoption last Tuesday of Mr Shaw's resolution concerning the amendments to be introduced into certain provisions of the Financial Regulation, it has been indicated that from now on the authorization for the carry-over of appropriations from one financial year to another will be given sooner: this will make possible a greater degree of flexibility in the implementation of the budget.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

12. *Renewal of the trade agreement with Uruguay*

**President.** — The next item is the report by Mr Sandri, on behalf of the Committee on External Economic Relations, on the renewal of the trade agreement with Uruguay (Doc. 75/79).

The rapporteur has informed me that he has nothing to add to his written report.

I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, the Commission not only agrees with Mr Sandri's report but unequivocally condemns the repeated violations of human rights that have taken place in Uruguay. The Commission wholeheartedly supports the principles that inspired the joint statement made by representatives of certain Latin-American parliaments dissolved by unconstitutional methods — those of Argentina, Chile and Uruguay — and published on the occasion of the Fourth Interparliamentary Conference of the European Parliament and the Latin-American Parliament, which took place in Rome from 19 to 21 February 1979.

The Commission intends to maintain the *de facto* freezing of the EEC-Uruguay agreement, and undertakes not to grant any particular preferences to Uruguay so long as the present political situation shows no substantial improvement.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting. The debate is closed.

### 13. EEC-ASEAN trade and economic relations

**President.** — The next item is the report by Mr Baas, on behalf of the Committee on External Economic Relations, on trade and economic relations between the EEC and ASEAN (Doc. 77/79).

I call Mr Jung.

**Mr Jung, deputy rapporteur.** — (D) Mr President, ladies and gentlemen, it is all the easier for me to deputize for Mr Baas inasmuch as the Committee on External Economic Relations unanimously adopted Mr Baas's report on 3 April. This report draws attention to the growing importance of the ASEAN, the South-East Asian countries, in this particularly sensitive part of the world and to its rôle in consolidating peace and political stability in this region.

In this part of the world, interests of vital importance to Europe are at stake: hence the need to improve EEC-ASEAN economic and trade relations further, especially through the scheme of generalized preferences, the liberalization and expansion of trade. We welcome the conclusions of the Second EEC-ASEAN Conference, which ended in Djakarta on 29 March, and call on the Commission to pursue an intensive campaign of information and introduce measures to facilitate action by private enterprise.

The report stresses that the Parliament, or at least the committee, agrees to an overall agreement on EEC-ASEAN cooperation. Contacts are to be established between the EEC and the unions with a view to ensuring compliance with the ILO recommendations on wages, and it is important to both parties that these contacts should lead to economic stability and social progress in this important region of South-East Asia, since this alone can ensure peace and freedom. It goes without saying that this report constantly stresses the importance of the fundamental problem of human rights.

Ladies and gentlemen, this, I think, may serve as a summary of the conclusions unanimously arrived at by the Committee on External Economic Relations. I recommend the Parliament to adopt this report.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, the Commission has always been of the opinion that the Community's relations with the ASEAN should be intensified by means of practical measures, of which the Conference in Djakarta is an example. Since the ministerial conference of November 1978, the possibility has emerged of

concluding an agreement on economic and commercial cooperation. A formal proposal to open negotiations will be sent by the Commission to the Council before the approaching summer recess.

Apart from its economic importance in view of the obvious European interests in the region, which the rapporteur pointed out, such an agreement will also be of political importance. The Commission takes the view that by intensifying economic and social relations it will be possible to help improve the conditions governing the development of democracy in the countries concerned and so contribute to a more widespread and durable respect of human rights in the member countries of the Association.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

### 14. Regulation on table-grapes from Cyprus

**President.** — The next item is the report (Doc. 131/79) by Mr Kaspereit, on behalf of the Committee on External Economic Relations, on

the proposal from the Commission to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for fresh table-grapes falling within sub-headings ex 08.04 A I (a) and (b) of the Common Customs Tariff, originating in Cyprus.

I note that no one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

### 15. Peripheral coastal regions of the Community

**President.** — The next item is the report, without debate, by Mr Corrie, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the peripheral coastal regions of the European Community (Doc. 113/79).

I note that no one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

### 16. Transport of passengers and goods by road

**President.** — The next item is the report by Mr Schyns, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the difficulties encountered at the Community's internal frontiers by the transport of passengers and goods by road (Doc. 678/78).

I call Mr Schyns.

**Mr Schyns, rapporteur.** — (F) Ladies and gentlemen, as long ago as the beginning of 1977, a colloquium held in Brussels was devoted to the subject of customs difficulties encountered at the internal frontiers of the Community. Today one is forced to the realization that the voluminous report produced by this colloquium has had no effect whatsoever, for any citizen of this Community, as soon as he attempts to cross one of the Community's internal frontiers, is in a position to appreciate the degree of integration that has already been achieved or the lack of integration.

I would like to begin by emphasizing that it is precisely this lack of integration that has prompted my colleagues on the Committee on Regional Policy, Regional Planning and Transport, and myself, to envisage the drawing up of own-initiative reports on the difficulties presently encountered at the Community's internal frontiers in the transport of passengers and goods by road. In committee, we have frequently had occasion to deplore obstacles of one kind or another which beset road transport when it comes to crossing a frontier — obstacles which derive from the lack of a Community policy in one field or another, particularly in the fiscal, economic and monetary fields. This, incidentally, is why the Transport Committee right from the beginning associated the Committee on Economic and Monetary Affairs with its work by asking this committee to submit an opinion and also by making use of reports it has drawn up on the subject. I refer here in particular to the excellent reports drawn up by Mr Nyborg on the development of the customs union and the internal market. It is obvious that the complete realization of the customs union is an essential element in the removal of impediments to the free passage of frontiers, and in view of this I think I should leave it to my colleague Mr Ellis, in his capacity as draftsman for the opinion of the Committee on Economic and Monetary Affairs, to go into his subject more deeply.

The aim of my report — a somewhat ambitious one, I admit — is to provide a survey of all the controls and formalities with which those concerned with road transport are today confronted. If I have deliberately confined myself to road transport, this is not because other sectors know nothing of the problems we are dealing with today. Throughout the preparation of this report, I have observed that the situation in air, rail or water transport is no better and that the need to examine the problems encountered there is just as great.

In my explanatory statement, I have gone through all the obstacles to the free passage of frontiers, those deriving from national or international transport regulations and those that have their origin elsewhere. As you will have noticed, the list is a long one; even though some of them may seem at first sight derisory

or of marginal importance, I can assure you that, as talks that I have had with the various interests concerned show, these controls and formalities inevitably lead to a more or less considerable increase in transport costs because of delays or even breakdowns in the functioning of transport services.

And this is where the root of the problem lies. It is extremely tempting to check at the frontier whether a regulation has been observed or to proceed to some other formality, particularly when it is a matter of national regulations. What is simpler than to stop private cars or lorries at a national frontier for the sake of some check or other formality? The frontier is the most obvious point to choose for these purposes, and yet this is exactly what should be avoided, in order not only to reduce the costs to which I have just referred but also to give the citizens of our Community a better idea of the advantages to be derived from European unification.

One is forced to the conclusion that many obstacles could long since have been eliminated if there had been more good will on both sides; that is to say, if the authorities concerned had shown a little more flexibility. In paragraph 7 of the motion for a resolution, I suggest measures that would undoubtedly and considerably simplify the business of crossing frontiers, practical measures which could easily be carried out with a little goodwill.

These measures, which in my view deserve priority of treatment, include, first, closer cooperation among all the authorities concerned, both national and Community authorities; second, the abolition of checks and other formalities which have lost their *raison d'être* and the abandonment of checks at the frontier which can equally well be carried out further inland; third, the replacement of frontier checks by random checks and other procedures such as the inspection of company accounts; and, finally, extending the practice of carrying out customs formalities at customs offices installed at the place of departure. All these measures could be applied without great difficulty to the various fiscal, monetary, health or other formalities which today are regularly carried out — unfortunately — for the most part at the frontier. I shall not recapitulate now the practical examples contained in the report, which clearly demonstrate the existence of a situation that could very easily be changed.

By way of conclusion to this part of my speech concerning those obstacles that do not derive from transport considerations, I should like to say that when the customs union is realized in its entirety and all the different Community policies have indeed been harmonized, formalities at the Community's internal frontiers could be reduced to checks relating to security and public health.

## Schyns

As regards frontier formalities deriving from transport regulations in the proper sense of the term, the biggest problems are of a fiscal nature and concern in particular fuel. Since the structure and rates of indirect taxes and also excise duties on mineral oils differ considerably from one Member State to another within the Community, considerable delays at the frontier, due to the checking of petrol tanks and, in appropriate cases, the levying of duties, are the result. It therefore seems to me absolutely necessary that agreement should be reached, within the shortest possible time, on letting through duty-free the whole of the fuel contained in the normal petrol-tanks carried by buses, coaches and lorries. A similar agreement should be reached on the duty-free admission of a definite quantity of fuel in jerry-cans. Such agreements would cut out the need for levying duties at the frontier and confine checks to cases where there are grounds for suspecting serious fraud.

There are a number of other national and Community regulations in the transport sector which lead to delays — often very costly — at the frontier and for which I propose realistic solutions in my report. This is not the occasion to attempt to explain them all, particularly as most of them are of a relatively technical nature.

The last section of my report deals with the obstacles caused by inadequate facilities and the unsuitable organization of customs services. As regards the facilities, these obstacles are of two kinds: first, the lack of facilities at all too many frontierposts and, second, the shortcomings in the road network in many frontier regions. In both cases, action is urgently needed if the infrastructure is to be adequate to the present needs of road traffic. In paragraph 15 of the motion for a resolution, I have drawn attention to the contribution that the Commission could play here, both financially and in the sphere of coordination.

One cannot avoid the impression that some customs officials do their work in a rather off-hand manner, and it is not always particularly clear what determines the speed or frequency of checks. Beginning at paragraph 84 of the explanatory statement, I list some recommendations which would undoubtedly help to ensure a more rapid flow of traffic at frontiers. Allow me to draw your attention to the following suggestions.

First of all, the speed and frequency of random checks and the staffing and opening-hours of frontier posts should be adjusted to the density of traffic. Then it seems to me essential to harmonize the opening-hours of the customs offices on both sides of the frontier, and to make every effort to avoid absurd repetitions of these checks. In conclusion, energetic measures must be taken to simplify, in every way possible, cross-frontier road traffic within the Community, and it is our duty, as members of this Parliament,

to be wide awake and do whatever is necessary to ensure that what can be done is done.

May I point out, Mr President, that the various texts before us contain some errors. There is, for example, a phrase missing from the German version of paragraph 17 of the motion for a resolution. In the same paragraph, the Dutch text speaks of the 'executive' where the French text refers to the Commission. Perhaps those errors could be corrected at a later stage.

Since Mr Albers has tabled three amendments, I should like, as rapporteur, to give you my view on them very briefly. I can agree to the first and the second amendments, but as regards the third, I would ask Mr Albers to withdraw it. The Commission does indeed need an adequate staff if the harmonization which is the theme of this report is to be brought about.

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

**Mr Seefeld.** — (*D*) Mr President, ladies and gentlemen, I should like to make a few observations on this extremely important and interesting report by Mr Schyns. Everywhere where ordinary citizens are in a position to observe for themselves what progress the European Community is making, they can see how seriously solemn declarations of intent are meant. When these declarations find no other reflection in reality but reticence, sluggishness or quarrels over words, then even good-tempered citizens are angered. Anyone who lives in a frontier area, like our rapporteur, could draw up a long list of sins of omission of which our Nine Member States and the Community are guilty — failures to take steps that were necessary to make life easier in these frontier areas, or to give them and others the feeling that they are living in a Community in the proper sense of the word.

Whoever does not live in a frontier area only has to wait until a public holiday or the summer vacation to see how big the gap is between official statements and reality. Of what use to us is the guarantee of freedom of movement between the countries of the European Community if, for example, frontier posts, so far from having been gradually dismantled since this Community came into existence, are actually multiplying in number, some of them with imposing buildings of which the ordinary citizen, standing in front of them, can only say: Yes, that is our Community, which does not dismantle the frontiers but even marks them out as places where documents have to be inspected? Today the flow of traffic is impeded at the frontiers as much as it ever was. One would think that the thing to do was to improve the flow; instead, irritating delays are the order of the day. It is at the frontiers that it must be made clear, in the interests of European integration, that for the citizens of the European Community none of the Nine Member States is foreign soil. Otherwise, what is the point of our

## Seefeld

coming together and of all our attempts to harmonize in so many fields?

In this sphere, action must take the place of non-committal talk. Mr Schyns rightly states that this Parliament has tabled innumerable questions about traffic controls, and I can state my Group's wholehearted support for the observation he makes in his explanatory statement, that 20 years after the establishment of the EEC and years after the creation of a customs union, crossing the internal frontiers of the Community still causes the same, if not greater, difficulties.

It is true, citizens are aware — and we all know this from the electoral campaign — that in this field a great deal is said and little is done. Some are asking: What is the point of it all?

This report contains a number of good suggestions. It raises yet again all the questions connected with the European passport. What is the good of a European passport, valid for all citizens, if they still have to show that they possess this European passport when they cross the frontiers? What, I ask, is the value of declarations, such as those made at the summit meeting in 1974, or those contained in Commission directives dating from 1968, that the inspection of documents must be the exception? I recall the summit meeting which announced that the European passport was on the way: it has been under discussion for almost five years now, and people still cannot agree whether to put the heading 'European Community' above and the name of the individual country below, or the other way round.

Really, in this sort of thing we are cutting a sorry figure. It is time that something was done along the lines set out in Mr Schyns' report.

In conclusion, may I say the following. This report was needed: it was needed in connection with the forthcoming direct elections to the European Parliament. It is right and proper that the outgoing Parliament should, with this report, reiterate its views, which have been quite clear for years. The report is a good one; it is not complete, but it does not pretend to be complete, since it only deals with one part of the problem. Nevertheless, I say that if all the proposals contained in the motion for a resolution were carried out, we should be a good deal further along the road to a genuinely united Europe or European Community. This subject must remain on the agenda of the European Parliament, and I hope that the new Parliament will appreciate that the problems attendant upon the trans-frontier transport of passengers and goods must be overcome and further suggestions for their solution produced.

On behalf of my Group, I thank the rapporteur for his work and assure him that we shall vote for his excellent report.

(Applause)

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

**Mr Jung.** — (D) Mr President, ladies and gentlemen, I thank the rapporteur and welcome his report on the problems attendant upon the crossing of internal frontiers. It is to be regretted that the report did not appear a few years earlier, but this is not the rapporteur's fault, since living in a frontier area as he does, he is naturally well acquainted with the problems.

As every day goes by, we are reminded at our meetings, as Mr Seefeld said, that above all these problems leave the ordinary citizen sceptical and the man in the street is forced to ask himself what the point of this Community is if the barriers are still there. This is, of course, especially important for people who live near the frontier and whose place of work may be on the other side of the frontier.

In our view, unnecessary checks should be abolished as soon as possible: this should have been done years ago. What purpose is served by the mutual recognition of certificates and documents of every kind when the *laissez-passer* issued by the Parliament is not even known to the customs or the frontier police? The result is that you, too, Mr President, if at the last minute you have to drive to Strasbourg to relieve someone else, may be delayed *en route*, and that is the sort of thing the document was designed to prevent.

We should therefore welcome the fact that Mr Schyns has now described, without beating about the bush, the difficulties that arise and that he proposes that the inspection of personal documents be confined to random checks and even then should only be tolerated within the framework of security measures within one of the countries concerned. This we wish to stress particularly, and I hope that the superfluous barriers referred to by Mr Seefeld will be dismantled again as soon as possible.

As to the customs or tax formalities which Mr Schyns suggests could be settled at the place of departure, I would say, well and good, but this must not have the result of increasing the bureaucratic load on firms whose work extends beyond these frontiers — particularly the middle- and small-scale undertakings, which are simply not equipped to carry this bureaucratic burden.

But, Mr President, I should like to turn to one particular aspect of this report which has been referred to but has not received the attention it deserves — namely, the people who live in frontier areas. They have experienced all aspects of the nation-state with an intensity that has escaped the inhabitants of other regions. For them, the frontier is not only a political and economic phenomenon; only too often it is a source of personal inconvenience and an impediment to normal relationships. It is quite natural therefore that in the process of European integration the fron-

**Jung**

tier regions should continually call for especial attention. We want to rid the frontiers of their peculiar effect, which prevents us from arriving at that single internal market that we want to achieve. Distortions of competition between Member States are to be felt everywhere in the Common Market; but in frontier areas they are even more acute and often amount to a threat to people's economic survival. What I want to say, therefore, is that frontier areas are particularly sensitive. For geographical, economic and other reasons, cross-frontier cooperation is becoming more and more necessary, and this offers the frontier areas a chance to gain in importance in this Community, to derive from their situation as peripheral areas in the nation-state system, in which this importance was denied them, a new function, that of binding elements, and so help to promote a successful integration.

This subject was taken up by the Liberal and Democratic Group at its 1976 seminar held at Lochem, in the Netherlands, where it was able to study the problem on the spot — namely, in the Euregio, on the German-Dutch border. By way of supplementing Mr Schyns's report, I would repeat the demands put forward on that occasion: the Council was called upon to take decisions designed to bring the areas on either side of the Community's internal frontier together to form a genuine working community; we also called for the development or modernization — on a joint basis — of roads in these frontier areas which, for strategic or other reasons, had been much neglected. I am reminded of an arterial road of European importance which passes through my own region and for topographical reasons, would be much better if it crossed the frontier, since this would be a more efficient and also a cheaper arrangement: why should such roads always stop at the frontier or run along the frontier?

Here we need an idea, a plan that is binding in its implications. The coordination of facilities for which local authorities are responsible must not stop short at frontiers. Regional planning decisions on either side of the frontier must be coordinated and industrial centres established on a joint basis along the lines of a middle and long-term plan. Programmes of education — this I noticed recently at a meeting of schools from both sides of one such frontier — can be coordinated and so help to overcome the problems arising on internal frontiers. Public services, too, could be used by the population of neighbouring countries under the same conditions as those living on this side of the frontier. In the sphere of public health, for example, this coordination should lead to the possibility of a hospital situated on one side of a frontier being made accessible to the neighbouring population on the

other side. This would, of course, require the coordination of health services. Another example is the establishment of joint refuse-processing plants with the object of reducing costs and avoiding unnecessary pollution.

All this is important for the purpose of making it clear to the ordinary citizen that we take the business of European integration, of overcoming our internal frontiers, seriously, for these internal frontiers no longer have any justification. That is why we, the Liberal and Democratic Group, are so wholeheartedly in agreement with you, Mr Schyns. We agree with your report and can only hope that, although 20 years have passed without very much — if anything at all — being done in this direction, the ordinary citizen, stimulated by your report, will be able to see that this Parliament, the Commission and the Council have the political will to overcome these obstacles. The Liberal and Democratic Group gives the motion for a resolution now before us its wholehearted support.

**President.** — I call Mr Albers.

**Mr Albers.** — (NL) Mr President, I should just like briefly to explain the background to my amendments. They have, of course, been partly approved, but I still think it is necessary to make a further comment.

The first paragraph uses the word 'regret'. I think we tend to use this word a little too often here. A case I have come across has led me to the conclusion that we must express outright condemnation of the lack of progress that has been made in this area. The matter to which I refer concerns a professional driver who, owing to a mistake on the Dutch-German border was deprived of 100 guilders a month over a period of six to seven years. Such cases are not reconcilable with European integration, and we cannot confine ourselves to merely expressing our regret about such things. We must condemn them.

A further point I wish to make concerns groups of young people. In the past — even before the Community was established — groups of young people under supervision who spent their holidays near the border could cross over without passports. For some years now, this has no longer been possible. This constitutes a retrogressive step. I would therefore recommend that an effort be made to investigate how this facility might be restored, possibly by a Community measure.

As far as the last amendment is concerned, I doubt whether extra staff would improve matters. The rapporteur believes they are necessary. I do not wish to make an issue of this; all I hope is that the Commission will take effective steps in response to Mr Schyns's excellent report. I therefore withdraw Amendment No 3.

**President.** — Mr Albers, I note your withdrawal of Amendment No 3.

I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, the Commission greatly appreciates the initiative shown by your committee, which has resulted in the preparation of this report on the problems still existing at frontiers between the Member States. The Commission is fully aware of the problems existing in this field: this is a matter that it has already deplored on more than one occasion in this Chamber. The ultimate aim of the Commission is to reach a situation in which not only customs but all essential formalities are carried out within the territory of Member States, in offices provided for this purpose: this will make it possible to avoid all formalities when crossing the frontier between two Member States.

This ultimate objective — and here I share the views expressed by your rapporteur — is extremely difficult to achieve within a short space of time, and that is why the Commission takes the view that for the moment the best that can be hoped for is to simplify as far as possible the formalities at the frontier.

There are no points in the motion for a resolution with which the Commission is not in agreement, but I would add that a considerable number of the suggestions it contains have already been the subject of specific proposals. I need only mention the European passport, the bilateral and multilateral authorization stamp, driving licences, fuel for commercial vehicles, or financial aid for transport infrastructure projects. I am quite sure that if the House adopts this motion for a resolution, it will be making an important contribution to progress in the work that has already begun.

Finally, I am grateful to Mr Albers for not insisting on his Amendment No 3, since the organization of the Commission's services really is a problem of essential importance if we are to pursue our objectives.

**President.** — I call Mr Schyns.

**Mr Schyns, rapporteur.** — (F) Mr President, I should like very briefly to thank my colleagues for the support they have given to my report, first in committee, then in plenary sitting.

Further, I should like to thank the secretariat of our committee for their assistance, also the members of the Commission. If in future we can all devote ourselves with the same unanimity of purpose to the resolution of this problem, I am certain that the new elected Parliament will not have to discuss it as frequently as we have had to.

**President.** — I note that no one else wishes to speak. The motion for a resolution, together with the amendments that have been moved, will be put to the vote at the end of the sitting.

The debate is closed.

### 17. *Improving the situation in the inland-waterways sector*

**President.** — The next item is the report by Mr Fuchs, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on possible measures to improve the situation in the inland-waterways sector (Doc. 146/79).

I call Mr Schyns.

**Mr Schyns, deputy rapporteur.** — (F) Mr President, exactly one year ago to the day, the European Parliament discussed the problems of inland-waterways. On 11 May 1978, a motion for a resolution, tabled by Mr Damseaux, on the crisis in this sector was debated and rejected by this Assembly — not because there was any disagreement on the substance of the matter, but because the majority considered that the fundamental problems in this transport sector should be examined in committee before entrusting any precise tasks to the Commission.

As a result, my colleague, Mr Fuchs, drew up an own-initiative report on improving the situation in the inland-waterways sector. This report is the product of prolonged and painstaking preparation, and it is a matter for regret that the rapporteur, who had already taken on important engagements before learning that his report was to be included in the agenda for this part-session, cannot be here to present it himself.

In the first section, Mr Fuchs examines the present situation and shows that for some years inland-waterways have been facing serious problems, of which the main consequences are a fall in the share of this sector in the total volume of transport, a steady drop in the numbers of crewmen, of vessels and of undertakings, and above all a low rate of profitability. Energetic measures are absolutely essential if these difficulties are to be remedied — measures on both national and the Community level. I may say in passing that it is to be regretted that proposals presented by the Commission ten years ago for establishing a régime governing capacities in this sector have not been adopted by the Council; this is all the more deplorable because the essential problem that has beset inland-waterways for many years is one of structural over-capacity. Although the problem of excess capacities is no longer so acute today, a policy on capacities is nevertheless desirable in order to deal with the reserve tonnage which is necessitated by seasonal fluctuations and also by variations in the water-level if these are not to affect the quantities of freight.

## Schyns

Among the measures implied by such a policy, I would draw particular attention to Community measures governing access to the occupation of waterway carrier and the institution of a system of transport permits and navigability licences. A joint position should also be arrived at on the questions of laying up, scrapping and rotation. These measures should be taken as rapidly as possible so as to have a coherent policy before competition from East European enterprises makes itself felt — that is, before the canal linking the chief arteries, the Rhine and the Danube, is opened. We therefore not only need a coherent body of measures, but these measures must be accompanied by others designed to prevent Comecon fleets from putting up a fierce and indeed ruinous competition which, as Mr Fuchs rightly points out in his report, might well make pointless what has already been done.

These precautionary measures are of two kinds: first, an additional protocol to the Mannheim Convention, which governs navigation of the Rhine, in order to settle the legal aspects of the question, and second, a system of annual quotas. In addition, it goes without saying that steps must be taken to ensure that the carriage of goods by inland-waterway can be carried out at profitable rates, or at least at rates which cover the costs.

In the social field, the Committee on Regional Policy, Regional Planning and Transport considers that action would be desirable to protect the interests of inland-waterway carriers who have suffered from various measures to clean up the market.

As regards infrastructure, the inland-waterway network in Europe is in need of improvement despite the efforts of recent years, particularly with regard to the main routes. According to the rapporteur, the realization of an up-to-date and adequate network requires the assistance of the Commission, in both its planning and its financing.

As regards the financing, the Community's contribution should be based on cost-benefit analyses and take into account the aid already granted by the national governments. A study should also be made of the possibilities of Community aid for the purpose of modernizing the inland-waterway fleet, adapting it to the present needs of the market and so rendering this transport sector more competitive.

In paragraph 18 of the motion, Mr Fuchs recommends the setting up of a permanent advisory body chaired by a Commission representative and composed of delegates from representative inland-waterway organizations, for the purpose of studying the problems and proposing satisfactory solutions. In my view, this proposal merits absolute priority, because it would undoubtedly make it possible to avoid strike action harmful to the inland-waterway sector itself.

It is also of great importance that the Commission should consult Switzerland and Austria before drawing up proposals in the inland-waterway sector.

These, Mr President, are the main suggestions and recommendations made by Mr Fuchs on behalf of the Committee on Regional Policy, Regional Planning and Transport with a view to improving the situation in the inland-waterways sector.

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

**Mr Jung.** — (*D*) Mr President, ladies and gentlemen, the Liberal and Democratic Group welcomes and supports the report submitted by Mr Fuchs on possible measures to improve the situation in the inland-waterways sector. I do not propose to cover the entire report, only to pick out a few points contained in paragraphs 10, 11 and 12 of the motion for a resolution, which deal with the question of protecting West European inland-waterway transport from the growing threat presented by competition from the Eastern bloc. I should like to say straight away that the fears implied here do not relate to all and any competition but to a particular sort of competition which, by means of unwholesome practices, may well threaten the very existence of the Community's inland-waterway transport and hence necessitates the timely adoption of appropriate measures. These undoubtedly include a modification of the Mannheim Convention: this I mentioned in committee, and Mr Fuchs has taken it up. It should also be considered whether the fair treatment of Western navigation should not be assured by means of bilateral agreements.

A clear example of the dangers threatening West European inland-waterway transport is offered by the situation with regard to navigation on the Danube, where, although we have no wish to maintain a system of state subsidies — what we want is fair competition under equal conditions between the Community and Comecon fleets — it is only thanks to current subsidies of this kind that the West can maintain its presence.

In its present form, the Mannheim Convention states that vessels of all nations are free to use the Rhine. In my view, there are two possible ways of getting round the difficulties I have referred to. First, free access to the Rhine could be restricted to vessels of the Mannheim Convention signatory states and possibly the other Member States of the Community. Secondly, all vessels using the Rhine, instead of being exempted, could be charged with the costs of maintaining navigation on the Rhine — and here a number of measures are indeed necessary — so that all were obliged to pay for the privilege of using the river installations and equality of treatment was thus ensured.

In the present circumstances, it would also be useful to conclude bilateral transport agreements with the



## Jung

Comecon countries provided these were agreed to beforehand by the Mannheim Convention signatory states and the Member States of the European Community. In reciprocal traffic, agreement must be reached on the fair and equal distribution of cargoes in terms of kilometre-tonnes, bearing in mind the type of cargo and the routes travelled. Controls could be exercised by interest-groups in which West European inland-waterway enterprises and Comecon shipping enterprises were represented. There must also be obligatory freight-rates capable of covering the costs of transport: these could be proposed by the interest-group, after consultation with the carrier, and would then be subject to approval and surveillance by the transport authorities, as is the present practice in our own inland-waterways system.

East-bloc vessels should not be allowed access either to national cabotage or to traffic between West European countries. There can also be no question of admitting them to traffic with third countries or to subsequent cabotage.

Ladies and gentlemen, if I stress these things I do so bearing always in mind that here competition based on unwholesome practices is involved and that if these practices cannot be eliminated, then the measures we have just proposed must be carried out.

One last point concerns the abuse of freedom of establishment. Here we must at all events prevent the Comecon countries from getting round the provisions outlined in this report by setting up branches or subsidiary companies in the transport sector. Vessels which are registered in a West European country but belong to a country of the Eastern bloc must be reckoned as belonging to the Comecon fleet.

With these remarks, I conclude. I have stressed all these points yet again, because they are of decisive importance for Western Europe's inland-waterway transport, particularly in view of the completion, planned for 1985, of the Rhine-Main-Danube Canal and the appearance of Comecon fleets on the Rhine and other waterways of the European Community, which will automatically ensue.

**President.** — I call Mr Albers.

**Mr Albers.** — *(NL)* Mr President, the inland-waterway sector continues to be beset by difficulties. After the recent strike action, reports are once again to be found in many sections of the press referring to serious differences and the danger of further difficulties. There are also a number of developments now taking place which merit attention. The 1975 agreement on tanker traffic has collapsed. In answer to a question I put to it, the Commission stated that this would have no further consequences for laying-up regulations and other measures which would have to be taken; nonetheless, it does suggest a deterioration in the situation in the inland-waterway sector. I asked

a question about an inquiry into the rôle of cargo-laden East German vessels which enter Community waters from the GDR to become part of the internal traffic of the EC. The Commission replied that an inquiry would be made into this matter, which surprises me, because I had thought that the market observation system had already been in operation for some time and that such phenomena must already be apparent from the data thus obtained.

Furthermore, rumours have been circulating concerning the introduction of vessels capable of pushing six barges. In my view and that of the Dutch Minister of Transport, Water Control and Construction, their introduction might well have serious consequences in the employment field, not only for the fleet but also for the shipyards. We must keep a very close watch on developments of this kind in the Community.

In answer to questions I had put to him, the Secretary of State for Transport, Water Control and Construction replied that the current negotiations on a statutory arrangement for North-South traffic are taking place completely outside the Commission. This situation is much to be deplored, because the inland-waterway operators' organizations, whatever their differences, however often they fail to agree, are united in the European organization and demand a European solution. Consequently, when rules and regulations are drawn up without the collaboration of the Commission, it is to be feared that the arrangements made will go in the wrong direction.

It is an excellent report. Mr Fuchs has really done a first-class job and I can only say that it shows exactly what is needed. The only minor shortcoming I can detect in the next — and I made the same comment previously on proposals for improving the situation in the inland-waterway sector — is the fact that organizations of forwarding agents and of carriers for own account have received such little mention and are also ignored in paragraph 18 of the resolution, concerning the setting up of a permanent advisory body on inland waterways. (Unfortunately, an error has crept into the amendment I tabled inasmuch as it has been entered under paragraph 18.) The point is that these organizations are disturbed by certain aspects of the resolution. More precisely, they take the view that where permits are concerned, carriers for own account should be exempt, and to support their view they refer to the policy followed with respect to road hauliers falling into the same category. The Commission document of 13 February last contains a measure designed to safeguard capacity, but for the purposes of carriers of own account this measure would appear unnecessary: the vessels belonging to this sector cater exclusively for the needs of the undertaking concerned and have no part in the play and interplay of supply and demand on the market. I believe there is every reason to take a

**Albers**

closer look at this matter. I am not attacking the relevant paragraphs of the resolution, but I wish to see the organizations of forwarding agents and carriers for own account given the opportunity by the committees involved to express their concern and clearly state what their difficulties are. The question revolves after all around the market, in which these organizations play a large part. There are a number of other unsatisfactory points, but owing to lack of time I shall refrain from going into them further. I hope that this amendment will have Parliament's support.

Finally, I should like to comment on the little progress that is being made. The Commission has made an excellent structural survey of the West European inland-waterway sector. We are now dealing with the own-initiative report of Mr Fuchs, but we have hardly seen any progress for a number of years. The reference tariffs and working conditions set out in the Commission proposal of November 1975 have yielded no results. Furthermore, it has become clear from the speech made by the President-in-Office of the Council, Mr Le Theule, at the Council meeting held in Rome on 20 February that activities are at present focused on the maritime shipping sector and important developments in that field and that practically no progress is being recorded with respect to inland-waterway shipping. In this connection, I would refer once again to the Council work programme which resulted from the Commission communication of 24 November 1977 and which should be completed in 1980. I feel that the newly-elected Parliament must get these matters clear and it will then realize what a sorry state they are in, with good intentions expressed but never put into effect. I just wanted to underline that point once again.

**Mr Nyborg.** — (DK) Mr President, I should like to ask whether you intend to break off for lunch today and if so, when, for it looks to me as if we shall be here until about five o'clock.

**President.** — My Nyborg, I rely upon our colleagues, and I think we shall be able to finish at about 2 p.m. It seems to me preferable to carry on rather than to suspend the sitting.

I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, I wish to thank the Parliament for this report, which, apart from confirming the validity of the Commission's approach to this subject, will undoubtedly strengthen its position when defending the proposals that are due to be submitted in this sector. I am in a position to indicate that the Commission will submit two proposals before the end of the year, the first relating to a structural reform of the market in the carriage of goods by waterway, and the

second concerning common standards for roads and waterways, in order to face the growing competition from certain Eastern countries.

Finally, as regards the problem of access by certain third countries to cabotage on the Rhine, we have succeeded in persuading the Council to agree on the following principles: first, that there should be equality of treatment for the fleets of all Member States — Italy, Denmark, Luxembourg and Ireland are not signatories to the Mannheim Convention; second, that there will be no transfer of prerogatives to the Central Commission for the Navigation of the Rhine; third, that a procedure will be introduced for adopting a provisional arrangement by way of a decision of the Council pursuant to Article 75 of the Treaty. Community measures are under way and discussions are being held between the Commission, the Member States and Switzerland, which obviously is also interested in the resolutions to be adopted.

**President.** — I note that no one else wishes to speak. The motion for a resolution, together with the amendment that has been moved, will be put to the vote at the end of the sitting.

The debate is closed.

#### 18. *EEC-Comecon relations in the field of maritime shipping*

**President.** — The next item is the report by Mr Jung, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the EEC's relations with the Comecon countries in the field of maritime shipping (Doc. 51/79).

I call Mr Jung.

**Mr Jung, rapporteur.** — (D) Mr President, ladies and gentlemen, this report deals with much the same problems as that by Mr Fuchs. As I said before, we are concerned not so much with the fact that third countries, including, of course, the Comecon fleet, are penetrating the market in the carriage of goods by inland waterway and, so far as my report is concerned, by sea as with the unwholesome practices that they adopt to this end. This is why I welcome in my report, on behalf of the committee, the establishment of an information system that will keep us up to date on the activities of the merchant fleets of third countries, including not only the Comecon fleet. This will throw light on these practices and show whether they are damaging the maritime interests of Member States and undermining the basis for fair competition such as I have just described.

Information, however, is not enough: the institutions of the Community must decide on measures that can be taken as soon as it is established that fair competition

Jung

is being undermined by unwholesome practices and discrimination is taking place on a massive scale.

In addition to the existing consultation procedure, therefore, a Community policy on maritime shipping *vis-à-vis* third countries must be made possible. Accordingly, we call on the Council to decide as soon as possible, in cooperation with the OECD countries, on the Community's position on the code of conduct for liner conferences elaborated some time ago by the United Nations. I further take the view that the Community's external actions will lose their credibility and force if certain minimum conditions are not laid down internally, i.e., in the maritime shipping and ports policy. Again, Community import and export firms and organizations must be appealed to to take due account of the interests of Community transport undertakings when taking decisions in their external trade transactions and, of course, to avoid action running counter to what this Community intends to enact or has already enacted in its regulations. Finally, we take the view that the two-year observation period should not be allowed to expire without the submission by the Commission of further proposals regarding a common maritime shipping policy.

I ask the Parliament to adopt this report, which was unanimously approved by the committee.

**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 Jung for his excellent report, which confirms the points we agreed on, especially our very dangerous present tendency to fall behind in the face of competition from the Comecon countries. I regard the two points as crucial. One is that the development of the Comecon merchant fleets is ruining our own shipping industry, and the further we are pushed out of the market, the harder it will be to get back in. My second point is the military significance of the vast increase in the Comecon fleets, which on the one hand provide a very good means of gathering intelligence, and on the other, can with very little alteration be turned into well-armed warships. The matter must therefore be taken very seriously, and it angers me to see the Commission and the Council adopting such a muted attitude to these problems. A vigorous approach is required: it is not enough to monitor events, that won't change anything. We are letting the Comecon countries set themselves up on our territory, and they offer us no facilities in return. I don't wish to bore the House by cataloguing the various points again, but would simply call on the Commission and Council to take effective action rather than stand idly by, looking on.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, I shall confine myself to the following three

points. First, I wish to thank the Parliament for this report. Second, in reply to Mr Nyborg, I wish to assure the House that the Commission regards itself as committed to taking a very serious approach to this problem. Third, I wish to offer just one point of information concerning the notorious code of conduct for liner conferences elaborated by UNCTAD. Last Tuesday, the Council approved a regulation on the ratification of this code by the Member States, subject to special agreements concerning primarily a guarantee that the commercial character of liner transports will be maintained under the OECD.

The Commission is gratified that it has proved possible to reach a Community solution of this problem of the code in time for the UNCTAD meeting in Manila.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

#### 19. Directive on plastic materials

**President.** — The next item is the report (Doc. 23/79) by Mr Brown, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council for a specific directive on the overall migration limit for the constituents of plastic materials and articles intended to come into contact with foodstuffs.

I call Mr Lamberts.

**Mr Lamberts, deputy rapporteur.** — (NL) Mr President, in view of the lack of interest in proceedings at this time on a Friday, I should not normally have needed to speak on this subject on Mr Brown's behalf; but as Mr Shaw has tabled eight amendments. I think it is worthwhile saying something. First of all, I am, of course, in agreement with what Mr Brown has written, especially his point that it is absolutely essential to prevent the migration into foodstuffs of carcinogenic substances. He also points out that it was rather illogical on the Commission's part to fix a higher limit than that applicable in certain Member States.

I am reminded by Mr Shaw's amendments that last week a person in the Netherlands Central Institute for Food Research was awarded a doctorate in 'the migration of substances from packaging into foodstuffs'. According to this doctoral thesis, 10 mg is a sufficient quantity to cause cancer, whereas the figure adopted here is 60 mg. Attention is also drawn in this thesis to the dangers of carcinogenic substances which migrate from packaging into food. Various examples are given.

## Lamberts

Now I have been wondering what might happen to Mr Shaw if he were to make a visit to the Netherlands and have breakfast there.

I have always had great admiration for the English breakfast and no doubt he would enjoy our Dutch breakfast too. However, he could quite easily be served a plate of sausage. Now sausage used to be wrapped in guts, but is now usually wrapped in a monomer substance. In the Dutch doctoral thesis I mentioned, it is explicitly stated that the packaging of, for example, Saxon liver sausage contains an excessive amount of carcinogenic substances. It is further demonstrated that the small plastic container usually used for serving jam at restaurant breakfasts is probably the type in which the amount of carcinogenic substances is the highest, owing to the relatively large surface area and small content. So there, too, you would be running a risk. Mr Shaw might then be tempted by a rusk with peanut butter. However, 7 % of the pots of peanut butter in the Netherlands are known to contain aflatoxin B, one of the most carcinogenic substances known to man. Mr Shaw might also like a glass of milk. Milk, however, can also contain latoxin M, another highly carcinogenic substance. He would probably also like a little cheese. Perhaps he likes blue cheese. But cheese is now also suspect, because it contains certain microtoxins which are carcinogenic. Mr Shaw would thus be consuming his fifth carcinogenic substance. He might then eat a piece of grilled fish. However, a highly carcinogenic substance appears on the surface of some kinds of fish when they are grilled. Mr Shaw would probably not be able to scrape it off. The same applies to grilled meat. If you grill a 200 g steak and then scrape it clean, 1 mg of this carcinogenic substance remains in it.

I hope Mr Shaw does not smoke, but if he does, he may then light up a cigarette and will then, of course, absorb a condensate containing 40 different varieties of carcinogenic substances. If he then chews a piece of gum, the secretion of hydrochloric acid in the stomach is stimulated and this could eventually lead to stomach cancer.

Mr President, as you can see, living is a dangerous business these days. Heart disease and vascular disease are the biggest killers in Western civilization but within a few years cancer will have overtaken them. We must therefore make every possible effort for the precise reason that there is no threshold value. Every molecule of a carcinogenic substance counts. Now when these molecules come from different substances they have a synergetic effect. It cannot be said that there is a threshold value. It is necessary to prevent any possibility of the migration of carcinogenic substances in materials used for food packaging.

The improvements to the text proposed by Mr Shaw are acceptable. However, the general tone of his amendments is at odds with the attitude taken by Mr

Brown and myself. To cut the discussion short, I can inform you here and now that as rapporteur I oppose all Mr Shw's amendments.

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

**Mr Shaw.** — Mr President, I have in the past always enjoyed my visits to Holland, and I hope that Mr Lambert's words will not deter me from paying further visits to his delightful country. All I will say is that those colleagues of his and indeed he himself, sitting there brown and healthy as could be, are not good advertisements for the sad tone of his speech. Of course, the truth is that we are all after the same thing, so let us not get involved in any differences on the overall objectives. The truth is, he has been brought in because those who should have been doing the job have unfortunately had to be elsewhere; I have been brought in because those of my group who had the chief interest had to be elsewhere, and we are pursuing the cases from our different points of view.

In fact, my group does welcome the desire of the Commission to strengthen the health-protection measures for Community citizens — let there be no doubt about that; but frankly, and this has come from at least two member countries, there is a belief that this proposal is intended to show that something is being done for consumers. That is to say, it is more show than reality. I know that is a harsh thing to say, but I am afraid the consumers are the 'in' thing. Whilst we want to help them, for heaven's sake let us not carry out legislation merely to show that we are all consumer-minded. The ECG believes that measures designed to safeguard health, whether related to the packing of foodstuffs, safety in the work-place or in the home, should be related to empirically or scientifically determined criteria; and we cannot accept the directive in its present form, because the industries in two Member States at any rate, that is to say Denmark and the United Kingdom, consider the directive to be technically faulty.

Apart from the reaction of industry to the directive, my group finds fault with the directive notwithstanding the good intentions behind it. For example, foodstuffs are packed in a variety of materials in addition to plastics, and it does seem rather pointless to deal with only one item rather than the variety of packing materials that are available and open to suspicion. For example, again, adhesive and soldering materials have been omitted, and yet observation of their use in factories, in the workshop or in the household reveals the often toxic measure of many adhesive compounds used. By directing attention to one component of the market for packaging materials, the market could be distorted, and indeed employment itself could be affected. In addition, perhaps I ought to say that we are well aware that three Member States

**Shaw**

have enacted legislation on the migration of molecules from package materials; but we are not convinced that the Commission has proved that the legislation which this has produced in these three member countries has resulted in creating barriers to trade. The Commission seeks to prevent unacceptable changes to the composition of food, changes which might result from chemical action between the food-stuffs and the container. But, Mr President, such chemical action can only occur if certain chemical and physical conditions are satisfied, and I do not believe that this directive sufficiently reflects the variables that can cause those chemical changes.

So, Mr President, as the directive stands it would result in more expensive packaging costs, which would be only retrieved ultimately in the price charged to the consumer. So we put down a number of amendments, and I hope the House gives those amendments support. I could speak about how we could progress by way of research and development programmes and so on, but time is very short, and I will not go into those points this morning.

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

**Mr Nyborg.** — (DK) Mr President, I agree with Mr Shaw that Mr Lamberts painted a gloomy picture. If we look at the statistics — I know we should not, but if we do — we find that it is highly dangerous to drive a motor cycle, a little less dangerous to drive a car, rather less dangerous than that to ride a bicycle and still fairly dangerous to walk. Thus if we want to eliminate completely any of these risks incurred in travelling, the best thing to do would be to lie at home in bed all day and wait to die peacefully. But that is surely not the intention.

(Laughter)

This report is important, concerning as it does the need to ban the migration of substances thought to be carcinogenic — not absolutely known to be, but thought to be. As is so frequently the case, it is a question here of striking a balance between the need for harmonization, the introduction of a ban and the utility of such a ban. The report itself seems to be slightly unsure on this point. The best thing would therefore be, as suggested in the proposed amendment of paragraph 6, to await a proper investigation to ascertain which substances are dangerous and should therefore be banned, and which substances are harmless and may thus be allowed to be transmitted. An investigation of this kind could result in the drawing up of a positive list of innocuous substances.

Our primary objective must be to protect the consumer's health. But we should not forget that in the last instance it is the consumer who has to pay the extra costs — in many cases perhaps unnecessary extra costs — we impose on industry. What if we

simply raise packaging costs without any guaranteed improved health protection? We should then be weakening our own position in the export markets, and helping to increase unemployment. This cannot be right. The fact that paragraph 7 in the motion for a resolution states that it would be impossible to introduce the directive in certain Member States, and calls upon the Commission to exercise flexibility is an indication that this proposal for a directive has perhaps been submitted a trifle prematurely. I therefore feel that Mr Shaw's amendment calling on the Commission to withdraw the proposal for a directive and submit a revised version makes sense, and my group supports his other amendments too.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, I rise merely to say that the Commission agrees with the report and to add that the Commission is prepared to reconsider the migration limit it proposes, although I must point out that a lowering of this limit is at first sight difficult. As for compiling a precise list of monomers, the Commission shares the rapporteur's view that this must be given priority. This is, in fact, the very consideration animating the work at present in progress in the appropriate services of the Commission. Finally, the Commission can assure the rapporteur that it is indeed prepared to show the flexibility demanded of it in the practical application of the overall migration limit.

**President.** — I note that no-one else wishes to speak. The motion for a resolution, together with the amendments that have been moved, will be put to the vote at the end of the sitting.

The debate is closed.

## 20. Directive on edible caseins and caseinates

**President.** — The next item is the report (Doc. 83/79) by Mr Lamberts, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to edible caseins and caseinates.

I call Mr Lamberts.

**Mr Lamberts, rapporteur.** — (NL) Mr President there is no need for a lengthy explanation of this report. During its discussion, a section on hygiene was added specifying the conditions under which the study of these caseinates has to be carried out.

The section of the report on hygiene is badly out dated, as I said in committee, but the Commission representative replied that the whole system of milk products was undergoing review and that a new proposal would be made in the coming year. I drew atten-

**Lamberts**

tion to the old-fashioned nature of the method used, but there is no point in my doing so again. I do not think this would make much impression on the few people present at the moment. I shall therefore say no more about that, in the hope that the Commission will raise this whole question of milk hygiene in the coming year and that the new Parliament will show appropriate interest in the matter.

**President.** — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

*21. Directive on protection against ionizing radiation*

**President.** — The next item is the report (Doc. 78/79) by Lord Bethell, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council for a directive amending the Directive laying down the revised basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation.

The rapporteur has informed me that he has nothing to add to his written report.

I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

*22. Environmental carcinogens*

**President.** — The next item is the report by Mr Jahn, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on environmental carcinogens (Doc. 99/79).

I call Mr Jahn.

**Mr Jahn, rapporteur.** — (D) Mr President, ladies and gentlemen, I regret that this important report — I consider it one of the most important of the whole session — should be dealt with at this time today, but since doctors and politicians interested in health throughout the Community are waiting for the opinion of this Parliament, we decided that it should, if possible, be put to the vote today.

I would, if I may, select a few points from this rather comprehensive report on environmental carcinogens, since I assume that you are familiar with its content.

Our reasons for drawing up this report were derived from the European Community's action programmes of 1973 and 1977 on the environment and the action programme of 1978 on safety and health at work.

These programmes provide, among other things, for preventive and protective action in respect of substances recognized as being carcinogenic, by fixing exposure-limits, sampling requirements, measuring methods and satisfactory conditions of hygiene at the place of work and by specifying prohibitions where necessary. We all agree that effective action to combat cancer can no longer be regarded as the sole responsibility of the Member States but must also be carried out by the Community under its appropriate research and action programmes. To this end, the Community should draw on the most recent advances in specialized research, and close coordination is important in order to ensure optimal use of the research resources available and prevent unnecessary duplication.

This report has been drawn up on the initiative of the Committee of the Environment, Public Health and Consumer Protection with the aim of stepping up the implementation of these Community programmes, with particular reference to cancer prevention, establishing certain priorities and stimulating the measures envisaged. In our view, the Community must earmark funds for general cancer research and use them to maximum effect through close cooperation with the cancer research centres in the Member States and other international institutions.

It is very difficult — of this we were aware — to prove that a particular substance can by itself produce cancer or to indicate the extent to which it influences and induces this disease. Often the combined effects of various factors are present, so that the actual carcinogenic agent is unknown. In this report, we have therefore tried to avoid generalizations and apodictic statements, for it is impossible to offer any final proof concerning many of the factors leading to the emergence of cancer.

The fact that universally valid assessments are impossible does not, however, mean that we have tried to minimize the problem. On the contrary, we have taken pains to indicate the dangers that certain toxic substances in the environment and certain forms of human behaviour bring with them and which may lead to cancer. Especial caution is called for as soon as suspicious symptoms make their appearance.

This report is largely based on the results of a hearing of highly qualified experts held in Brussels on 22 and 23 May last year. I wish to take this opportunity to thank once more the ten experts from various Member States of the Community for the specialized knowledge they had to offer, which, as you can imagine, was of the greatest value to us. In particular, we consulted them on the carcinogenic or possible carcinogenic effects of hydrocarbons, pesticides, asbestos dust, chemical additives to food, tobacco smoke, pharmaceutical products, industrial dusts and smoke and other harmful substances in the environ-

**Jahn**

ment. The European Parliament, as an institution, has not yet become active in the general fight against cancer; but many of its Members, including your rapporteur, have, in the last ten years or so, drawn attention to the dangers of cancer in written questions to both Commission and Council and called for appropriate measures to be taken by the Community.

Now a few words on some specific measures which we commend to the Commission and the Council. Now that the tobacco and cigarette industry has of its own accord imposed limits which in the last ten years have led to a fifty-per-cent reduction in tar and nicotine content, more must, in our view, be done in this direction. Our main demands are as follows :

1. The tobacco industry must supply products that are as safe as possible in as much as their tar content is progressively reduced. Research to this end must also be promoted.
2. Further and, I should like to say, more determined campaigns of information on the possible dangers of smoking should be promoted stressing the advantages of tobacco products with a low tar content over those with a high tar content.
3. The younger generation above all must be thoroughly informed about the dangers of smoking.
4. In conformity with existing practice, trains and aircraft everywhere should be provided with compartments in which smoking is forbidden.

I hasten to conclude, and I will leave out a great deal of what I had to say. For the record, I would mention that my question No 1098/78 to the Commission has been withdrawn, because in our report we have devoted a great deal of attention to the dangers to health that come from smoking.

Ladies and gentlemen, we are aware that it would be difficult to carry out all these measures immediately. We therefore recommend that the measures set out in our document be carried out step by step.

One final word. I wish to draw attention to the importance of paragraph 6 of the motion for a resolution, which calls on the Commission to set up a permanent working-party of highly qualified experts in the field of cancer research and cancer protection to advise the Community on all pertinent questions and, in particular, to submit practical proposals for Community regulations. Chronological toxicology and, in particular, carcinogenesis, represent a special field involving so many specific problems that we endorse the creation of this working-party at Community level, which European experts themselves have asked for. A further task of this body of experts would be to evaluate the numerous research projects that are now in progress in the Community in the field of cancer prevention.

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

**Mr Nyborg.** — (DK) It would be a shame to let Mr Jahn's excellent report on this important topic pass without comment. I should first like to make it clear that my group supports Mr Jahn's report, and I should like to make a few points in this connection. One is that, as Mr Jahn says in paragraph 4 of the motion for a resolution, we should aim at close coordination in order to ensure optimal use of the research resources available and prevent unnecessary duplication.

It is also worth mentioning — and this very point was made a few moments ago — that the actual carcinogenic agents are largely unknown. That is why research is so necessary, as the report points out. Finally, it is a known fact that tobacco smoke is harmful and in many cases carcinogenic, which is probably primarily due to its tar content. Although I am myself a smoker, I feel that non-smokers who do not wish to inhale tobacco-smoke should be enabled to avoid doing so.

**President.** — I call Mr Lamberts.

**Mr Lamberts.** — (NL) Mr President, I should like to begin by expressing my great admiration for the initiative taken by Mr Jahn and his grasp of the subject and also for the comprehensive way this difficult question has been dealt with in his report.

This report has in fact become a sort of textbook. It is concise, yet at the same time contains the same information as the world's great textbooks on the subject. Every shade of contemporary opinion is covered in it. Obviously it would have been going too far to deal with every single point, but this report is an extremely important one for Europe's 260 million citizens. Indeed, in my view, it is the most important report we have considered this week, although little interest is now being shown in it! It is important for health, in relation to sickness and death, especially of the young people in our Community. According to present estimates, about 15 % of all cancers are caused by radiation and about 5 % by contact with carcinogenic substances in industry, i.e., at the workplace. Important examples of such substances are polyvinyl chloride and asbestos. However, about 80 % of all cancers are caused by environmental factors. By that I mean smoking, eating and drinking, and the fact that most Europeans come into everyday contact with all the carcinogenic substances with which we have been plagued since the chemical revolution in the last 25 years.

Young people will as a result be threatened throughout their lives unless we take effective measures to protect them.

**Lamberts**

The rise in heart and vascular disease now seems to be levelling out. In the foreseeable future, cancer will have become the worst killer of all unless we take measures which will encounter fierce resistance. Smoking is the worst scourge, being responsible for 30 % of cancer cases. The measures recommended by Mr Jahn will have to be applied and we shall have to find methods of protecting young people against addiction to smoking. Our Western eating-habits, such as the eating of a lot of fat and too much meat and the consumption of unnecessary additives, could theoretically easily be altered if people were properly informed, but in practice we humans tend to prefer what is bad for us. Our educational methods must be improved by better psychological and psychiatric insights. The Community must launch major research in this area, with the involvement of, and coordination between, all branches of science. Last March, I explained this in a 20-page reply to Mr Vredeling. I do not want to repeat that today, but what I said might be compared with the Framingham study in America, which has had such a great influence on heart and vascular diseases. We must combat, for instance, the barbecuing and the grilling of meat and fish. We must reject unacceptable mould in peanuts and peanut butter and carcinogenic microtoxins. This will be difficult, but we must make it clear to young people in particular that modern sun-bathing is also dangerous. We must put a stop to the steadily increasing and dangerous consumption of alcohol, particularly strong drinks.

In short, we must make our whole way of life healthier. The danger of nitrosamines is increasing daily, particularly as we are saturating our environment with nitrates.

We must spend more money on cancer research, and on research into carcinogens, pro-carcinogens, promoters and also the anti-carcinogenic substances, such as retinoin. An example of these is Vitamin A, which is anti-carcinogenic. There may be other such substances in our environment and in our diet. We must therefore carry out a study in this area to assist the fight against cancer. Vitamin C, too, can protect us against cancer to a certain extent.

In addition, we must ban all the carcinogenic substances poured out into our environment by industry. The emission of these carcinogenic substances, particularly in water which then has to be used by other people as drinking-water, must be banned! We shall have an opportunity in Europe of banning this at another level.

American legislation in this area is still capable of improvement, but even as it stands it would be worth our adopting it. According to US law, a guarantee must first be given that a substance is not carcinogenic and then it has to be registered 90 days in advance.

Cancer is an enormous threat for our whole Community, Mr President. You and I probably spent 40 years of our lives in a completely healthy environment. Not until the last 20 or 25 years has this immense threat emerged; but our children have been living under this threat since the day they were born. In the Netherlands, babies are well fed, but their diet is now being challenged by scientists who claim it is carcinogenic. This is just one example. We must therefore take some definite steps to free ourselves of this menace.

In conclusion, I would repeat my sincere thanks to Mr Jahn for his initiative in drawing up this excellent report.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, I wish to convey the Commission's agreement with the report. I would remind you that in March the Commission sent to the Council a proposal for a directive on the protection of workers against the dangers resulting from harmful exposure to chemical, physical and biological agents at the place of work and that the European Parliament has been asked for its opinion.

One remark concerning paragraph 6. The Commission considers the setting up of a working-party on cancer prevention to be inopportune. It already has a number of scientific advisory committees concerned with foodstuffs, pesticides, cosmetics and feeding-stuffs, and each of them, within its terms of reference, has submitted an opinion on carcinogenic substances. The latest of these scientific advisory committees to be set up, that instituted by the Commission in June 1978 to study the toxicity and ecotoxicity of chemical compounds, will be able to cover those carcinogenic agents not specifically dealt with by the other committees.

**President.** — I note that no-one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

### 23. *Promotion of contacts between the citizens of the Community*

**President.** — The next item is the report, without debate, by Mr Van der Gun, on behalf of the Committee on Social Affairs, Employment and Education, on actions in the educational field specifically to promote contacts between the citizens of the Community (Doc. 149/79).

I note that no one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.



24. *Decision on the quality and nutritive value of food*

**President.** — The next item is the report (Doc. 89/79), without debate, by Mr Noè, 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 action project of the European Economic Community on the effects of thermal processing and distribution on the quality and nutritive value of food.

I note that no one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

25. *Directive on fresh poultry-meat*

**President.** — The next item is the report (Doc. 86/79), without debate, by Mr Lamberts, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council for a directive amending, in respect of chilling, Directive 71/118/EEC on health problems affecting trade in fresh poultry-meat.

I note that no one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

26. *Regulations on social security*

**President.** — The next item is the report (Doc. 148/79), without debate, by Mr Pisoni, on behalf of the Committee on Social Affairs, Employment and Education, on

the proposals from the Commission to the Council for

- I. a amending amending Council Regulations (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community, and
- II. a regulation amending the Annexes to Regulations (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community.

I note that no one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

27. *Teaching of languages in the Community*

**President.** — The next item is the oral question without debate (Doc. 159/79) by Mr Mascagni, Mr Masullo, Mr Pistillo, Mr Spinelli and Mrs Squarzialupi to the Commission, on the teaching of languages in the Community countries by persons specially trained to teach their native language :

The teaching and learning of the most widely spoken languages in the Community Member States are of deci-

sive importance to the process of integration, which, in addition to the economic and political factors involved, calls for the establishment of far closer relations through the expansion of areas of common knowledge and mutual understanding and improved contacts between different cultural groups.

1. Would the Commission not agree that, in the teaching and learning of languages, far more progress would be achieved by using the services of persons who are specially trained to teach their native language and also possess a good knowledge of the language of the countries in which they are employed (e.g., the teaching of English in France by English teachers who have an adequate knowledge of French, the teaching of German in Italy by German teachers who have an adequate knowledge of Italian, etc.)?
2. Does the Commission think that such a radically new scheme, worked out at Community level, subsequently discussed and approved by the individual Member States and then reconsidered and finalized by the responsible Community bodies, could be progressively implemented and, if so, what kind of appropriate action would it be able to take?
3. Would the Commission not agree that, given the foreseeable objective and subjective difficulties of such a scheme, it should initially be introduced on a trial basis and with a view to stimulating the interest of the teachers concerned so that, once adequate experience has been gained, the requirements can be more realistically assessed?
4. Does the Commission not think that, with the agreement of Parliament and on the basis of a suitable preparatory document, the Member States should be consulted on this matter?
5. In the Commission's view, what steps could be taken in the near future to encourage the employment of the abovementioned teachers in those regions in which the population is made up of different ethnic and linguistic groups and in which, as is well known, the linguistic barriers to mutual understanding are most acute and have to be overcome in the interests of peaceful and fruitful co-existence?

I call Mrs Squarzialupi.

**Mrs Squarzialupi.** — (I) Mr President, it is with great emotion that I rise to speak on the last item on the agenda of the last sitting of this Parliament before it is directly elected.

The subject of language-teaching in the countries of the Community concerns one of the principal means of communication among our peoples and of defending our cultures. If we want the principal languages in our Community to be really used, the conditions under which they are taught and learned must be different from those adopted so far. The teaching of a foreign language by persons whose mother tongue is not that language, even though they have the very best knowledge of that language, cannot give satisfactory results. One only has to think of Italian teachers of English or French who use Italian when speaking to their pupils : under such conditions,

### Squarcialupi

the knowledge of the foreign language acquired is scarcely enough to 'get by' when travelling abroad.

The Community requires its citizens to have a much deeper knowledge of languages, since these are to become an instrument of day-to-day communication and a means of promoting integration and cultural exchanges.

Of course, the teaching of languages by persons whose mother tongue is the language being taught is the first requirement, but apart from this these teachers must have an adequate pedagogical training and general culture and must have completed a course of training in psycho-linguistics. It is obvious that the achievement of this aim will be neither easy nor rapid, and for this reason we must set about it in good time.

What are the prospects for the present teachers of foreign languages? As far as possible, they will be expected to teach their mother tongue in the country whose language they have studied. Of course, there will be problems: for example, Italian teachers of English or German are unlikely to be called upon to teach Italian in Great Britain or Germany. On the other hand, yesterday's issue of *Le Monde* was saying that the teaching of Italian is to be continued in France.

It will therefore be a matter of gradually adapting these teachers to new conditions while, of course, respecting the rights they have acquired. It should also be borne in mind that the development of the Community will in time create other possibilities for employing these teachers.

I will conclude by referring to the regions inhabited by national minorities. In the case of Italy, the law requires that in Alto Adige the second language — Italian in the case of Germans and German in the case of Italians — shall be taught by persons for whom this language is their mother tongue.

There are nevertheless considerable difficulties, because teachers of German in Italian-language schools are too few to fill the need. On the other hand, the rights must be respected of those Italian teachers who are still teaching German. It will therefore be necessary to organize adult training courses and work for the gradual replacement of these teachers within the general framework to which we have referred.

In the hope, Mr President, that the teaching of languages will prove one of the instruments for peace, understanding and European integration, I conclude this, the last speech to be delivered by a member of the European Parliament in the phase preceding its direct elections, by wishing you, Mr President, the Commissioners and all my colleagues in the new, directly-elected Parliament, success in your work for the common good of our citizens.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, the teaching of languages in the Commu-

nity is, for the Commission, one of the most important programmes in the field of education. The Commission's proposals in this field, having been welcomed by the Parliament, have been submitted by the Education Committee.

The importance of the contribution that persons teaching their mother tongue can make in this sector is recognized by the Commission, which proposes to make it easier to exploit this contribution, either by increasing exchanges of foreign-language assistants and teachers during their initial period of training, or by introducing a programme for the exchange of foreign-language teachers after they have qualified. The proposal for this latter programme was originally drawn up on the basis of considerations similar to those put forward by the honourable Member. In particular, the Commission proposed exchanges of longer duration — from 3 to 5 years — which were to be counted as periods of further training. On such exchanges, however, the Education Committee failed to reach agreement, while the possibility of short-term exchanges was given a more favourable reception.

Another way of encouraging the teaching of languages by persons for whom these languages are their mother tongue would, in the Commission's view, be to increase the number of multilingual educational institutions, particularly in those areas of the Community which present certain characteristics features — in frontier areas, for example, or wherever different linguistic groups live together.

Finally, I wish to point out to the honourable Members that their suggestion cannot be carried out on the basis of exchanges pure and simple but rather presupposes implementation of the principle of the free movement of teachers — a principle that is still far from being accepted in practice. On this latter subject, the Commission has, however, initiated consultations with the Member States on the question of achieving recognition of teachers' qualifications in the Community.

These proposals were drawn up by the Commission after extensive consultations with educational experts from all the member countries. They are now being discussed by the Education Committee, which embraces representatives of all the Member States. The Commission hopes that a first series of measures will be adopted by the Council of Ministers of Education in the course of this year.

Finally, Mr President, may I associate myself, both personally and on the Commission's behalf, with the wishes expressed a moment ago by Mrs Squarcialupi.

**President.** — This item is closed.

### 28. Votes

**President.** — The next item is the vote on those motions for resolutions on which the debate is closed.

**President**

I put to the vote the *Glinne motion for a resolution (Doc. 168/79): Trial of Mr J. Sabata.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Walker-Smith report (Doc. 29/79): Appointment of a Community Ombudsman.*

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

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**President.** — We proceed to the *Shaw report (Doc. 173/79): Directive on the auditing of accounts of limited liability companies.* We must first consider the amendments to the proposal for a directive.

On Article 2 (2), subparagraph (a), second indent, I have Amendment No 3, tabled by Mr Shaw and rewording this indent as follows :

— that such persons shall not hold a majority of the capital of such professional companies or associations  
(34 words deleted)

I put Amendment No 3 to the vote. Amendment No 3 is adopted.

On Article 4 (1), I have Amendment No 5, tabled by Mr de Gaay Fortman and wording this paragraph as follows :

1. A natural person may be approved to carry out the activities referred to in Article 1 only after having attained university entrance level, followed a programme of professional education and training and passed an examination of professional competence at graduate or an equivalent level of training which is organized or recognized by the State.

What is the rapporteur's view ?

**Mr Shaw, rapporteur.** — Mr President, I would like to retain the English text, but as I understand this is an exact translation from the Dutch, then so long as that is put into the Dutch text I think we are all agreed.

Whether that is a formal rejection or acceptance I am not sure, but that is the way I would like it.

**President.** — I put Amendment No 5 to the vote. Amendment No 5 is adopted.

On Article 5 (3), I have Amendment No 1, tabled by Mr Broeks and rewording this paragraph as follows :

3. The test of practical knowledge referred to in Article 4 shall take place after a minimum of 3 years' practical training with an auditor approved pursuant to this Directive and involving principally the audit of financial accounts ;

What is the rapporteur's view ?

**Mr Shaw, rapporteur.** — I cannot accept this. I think, in fact, it is a question again of the Dutch translation. I must be quite safe on this, because the fact is that the words I use are exactly the same as the ones used throughout the rest of the directive and we must keep the same words throughout. I think it is a matter of translation, as was explained earlier this morning, but to ensure that fact, whilst we can look at the Dutch translation, which we promised to do, I think we must keep to the original text ; so I am against it.

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

On Article 11 (1), I have Amendment No 2, tabled by Mr Broeks and adding the following to this paragraph :

This provision shall not apply to auditors in the services of the public authorities with respect to their employers ;

What is the rapporteur's view ?

**Mr Shaw, rapporteur.** — Mr President, you will recall that I did try and explain the problem. I am against it, the Commission is against it, but the Commission has promised to look at the whole matter again in the light of particular circumstances that might exist in Holland. So my view is that we must say no, and keep to the original text.

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

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3, I have Amendment No 4/corr., tabled by Mr Sieglerschmidt on behalf of the Socialist Group and deleting this paragraph.

What is the rapporteur's view ?

**Mr Shaw, rapporteur.** — As I understood it, the objection was that it was unusual and unnecessary to include this paragraph. However, there are strong feelings in certain countries that misunderstandings might arise if it were not included, so although there are objections to it as being unnecessary, it can have no harmful effect I think, on balance, it is better to keep it there, so I am against the amendment.

**President.** — I put Amendment No 4/corr. to the vote.

Amendment No 4/corr. is rejected.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put paragraphs 4 to 18 to the vote.

Paragraphs 4 to 18 are adopted.

<sup>1</sup> OJ C 140 of 5. 6. 1979.



## President

I put the preamble and paragraphs 1 to 17 to the vote.

The preamble and paragraphs 1 to 17 are adopted. On paragraph 18, I have Amendment No 1, tabled by Mr Albers and inserting, after the words 'representative inland-waterway organizations', the words 'organizations of forwarding agents and of carriers for own account'.

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraphs 19 to 21 to the vote.

Paragraphs 19 to 21 are adopted.

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

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

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**President.** — I put to the vote the motion for a resolution contained in the *Jung report (Doc. 51/79): EEC-COMECON relations in the field of maritime shipping*.

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

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**President.** — We now proceed to the motion for a resolution contained in the *Brown report (Doc. 23/79): Directive on plastic materials*.

I put the preamble and paragraph 1 to the vote. The preamble and paragraph 1 are adopted. On paragraph 2, I have Amendment No 1, tabled by Mr Shaw on behalf of the European Conservative Group and replacing this paragraph by the following :

2. Believing that most packaging materials for foodstuffs are hygienic and safe, accepts that migration of constituents of some plastic materials and articles when in contact with some types of foodstuff, in certain chemical and physical conditions, may react in such a way as to cause a risk to the health of the consumer ;

What is the rapporteur's view ?

**Mr Lamberts, deputy rapporteur.** — (NL) Mr President, Mr Brown and I are opposed to all the amendments, and I would point out that in committee Mr Brown's proposal was adopted almost unanimously. These amendments would vitiate the whole report, and I am therefore opposed to them on principle.

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

On paragraph 3, I have Amendment No 2, tabled by Mr Shaw on behalf of the European Conservative Group and replacing this paragraph by the following :

3. Calls on the Commission to examine, as soon as possible, the criteria governing standards for packaging of foodstuffs in each Member State and to consult Member States within the Standing Committee for Foodstuffs, in order to define appropriate standards for the protection of health ;

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

On paragraph 4, I have Amendment No 3, tabled by Mr Shaw on behalf of the European Conservative Group and replacing this paragraph by the following :

4. Given that simulational tests do not always correspond to the real health risks, stresses the need for empirical determination of standards for packaging materials in conjunction with the type of foodstuff with which these materials are intended to come into contact ;

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

On paragraph 5, I have Amendment No 4, tabled by Mr Shaw on behalf of the European Conservative Group and adding the following to this paragraph :

... after manufacturers of packaging materials and manufacturers of foodstuffs who are the users of these materials have been consulted ;

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I put paragraph 5, thus amended, to the vote.

Paragraph 5, thus amended, is adopted.

On paragraph 6, I have Amendment No 5, tabled by Mr Shaw on behalf of the European Conservative Group and replacing this paragraph by the following :

6. Calls on the Commission to elaborate as a matter of priority, in consultation with manufacturers of packaging materials and manufacturers of foodstuffs, a list of materials which are safe and compatible containers for each type of foodstuff, specifying the composition limits for each constituent of the material listed ;

I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

On paragraph 7, I have Amendment No 6, tabled by Mr Shaw on behalf of the European Conservative Group and rewording this paragraph as follows :

7. Notes that in the absence of such a list the immediate implementation of this directive may be difficult for both legal and practical reasons and calls upon the Commission to examine a possible framework of a research and development programme on foodstuff packaging materials in order to establish a scientific basis for a directive.

I put Amendment No 6 to the vote.

Amendment No 6 is adopted.

After paragraph 7, I have Amendment No 7, tabled by Mr Shaw on behalf of the European Conservative Group and adding the following new paragraph :

7a. Calls on the Commission to withdraw the proposal for a directive contained in Doc. 173/78 and to submit a revised proposal for a directive ;

I put Amendment No 7 to the vote.

Amendment No 7 is adopted.

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

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

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**President.** — I put to the vote the motion for a resolution contained in the *Lamberts report (Doc. 83/79): Directive on edible caseins and caseinates.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Bethell report (Doc. 78/79): Directive on protection against ionizing radiation.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Jahn report (Doc. 99/79): Environmental carcinogens.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Van der Gun report (Doc. 149/79): Promotion of contacts between the citizens of the Community.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Noè report (Doc. 89/79): Decision on the quality and nutritive value of food.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Lamberts report (Doc. 86/79): Directive on fresh poultry-meat.*

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

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**President.** — I put to the vote the motion for a resolution contained in the *Pisoni report (Doc. 148/79): Regulations on social security.*

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

### 29. Adjournment of the session

**President.** — There are no other items on the agenda. I thank the representatives of both Council and Commission for their contributions to our debates.

This part-session is the last before the elections by direct universal suffrage.

I remind the House that, pursuant to the Act concerning the direct election of its Members, the Parliament will meet, without requiring to be convened, on the first Tuesday following the expiry of an interval of one month from the end of the period referred to in Article 9 (1) of this Act, that is to say, on Tuesday, 17 July 1979. This meeting will take place in Strasbourg.

### 30. 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.

I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, as you are now about to close the sitting, I should like to thank you, for myself and on behalf of most of those Members who have regularly attended the Friday club, for your efficient and friendly chairmanship of these sittings. Thank you, Mr President.

*(Applause)*

<sup>1</sup> OJ C 140 of 5. 6. 1979.

**President.** — I thank you Mr Nyborg, for your kind remarks.

Ladies and gentlemen, I have no wish to prolong unduly this sitting, which has gone on for five hours, but I should like to say a few words.

Last Wednesday, President Colombo, Mr Bernard-Reymond, Mr Jenkins and Mr Thorn conveyed to this Assembly and to its Members messages stressing our rôle and our achievements in the construction of Europe. Our thanks were duly conveyed to the Commission and to the Council. There is therefore no need for me now to attempt a review of what we have done.

As Friday's habitual occupant of the Chair, I would, however, if I may, extend the messages that were conveyed to us on the much more solemn occasion of Wednesday's sitting to all the members of the Secretariat, including the secretariats of the political groups, who, I believe, have been indispensable to us in our work. It is only thanks to their devotion and understanding that we have been able to bring to a successful conclusion such a long and heavily-loaded agenda as the one we have just completed in this chamber — where, incidentally, we are meeting for the last time. At the end of this, the last part-session of this Parliament, I wish, on behalf of the Presidency,

to convey to them all our gratitude for their work and their support.

You will appreciate that I am referring in particular to all those who have assisted us during sittings that have been prolonged and on occasion difficult: the high-ranking officials sitting beside me here, the interpreters and translators, the staff of the minutes and the report of proceedings, and all those who have assured the availability, often at very short notice, of the documents necessary for our work, the messengers and technicians, the security service — and, of course, the staff running the bar!

I shall always have — as, I think, all of you will — the most favourable recollection of the work done by this Secretariat and of its contribution to the construction of Europe.

Ladies and gentlemen, if we apply to the European Parliament the call, 'The King is dead, long live the King!' we realize that the sadness of leaving behind something that belongs to the past and to the present conceals an immense hope for the future.

In this spirit and with a full heart, I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting closed at 2.05 p.m.)*









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