

Annex

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## Debates of the European Parliament

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1975 – 1976 Session  
Report of Proceedings  
of 5 to 9 April 1976  
European Center, Luxembourg

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## NOTE TO READER

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

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## IN THE CHAIR : MR SPÉNALE

*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 12 March 1976.

2. *Apologies for absence*

**President.** — Apologies for absence have been received from Mr P. Bertrand, Mr Calewaert and Mr Hartog who regret their inability to attend this part-session.

3. *Welcome to a Swiss delegation*

**President.** — On behalf of the European Parliament I welcome the presence in the official gallery of a delegation from the Swiss Parliament, consisting of Mr Etter, President of the National Council, Mr Wenk, President of the Council of States, Mr Kohler, former President of the National Council and Mr Pfister, Secretary-General of the Federal Assembly, who are doing us the honour of returning the visit I made last year to the Federal Chambers.

I am sure that their visit will help to improve the links of understanding and friendship binding the European Community and the Swiss Confederation. On your behalf I wish them all a pleasant and useful stay with us.

*(Applause)*

4. *Appointment of a Member*

**President.** — The President of the National Assembly of the French Republic has notified me of the appointment of Mr André Guerlin as representative to the European Parliament to replace Mr Francis Leenhardt, who has resigned.

The credentials of this new Member will be verified after the Bureau's next meeting, on the understanding that, under Rule 3(3) of the Rule of Procedure he will provisionally take his seat in Parliament and in the committees with the same rights as other Members of Parliament.

I cordially welcome Mr André Guerlin.

*(Applause)*

5. *Receipt of a petition*

**President.** — I have received a petition on the procedure for the election of the European Parliament by direct universal suffrage from Mr John Campbell.

This petition has been entered under No 1/76 in the register and referred to the Committee on the Rules of Procedure and Petitions for consideration.

6. *Documents received*

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

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

— the proposal from the Commission of the European Communities to the Council for a regulation temporarily authorizing certain systems of catch quotas in the fisheries sector (Doc. 14/76);

This document has been referred to the Committee on Agriculture ;

— the proposal from the Commission of the European Communities to the Council for a regulation on the harmonization of certain social legislation relating to road transport (Doc 17/76);

This document has been referred to the Committee on Regional Policy, Regional Planning and Transport, as the Committee responsible, and the Committee on Social Affairs, Employment and Education for its opinion ;

— the proposal from the Commission of the European Communities to the Council for a regulation amending Annex IV of Regulation (EEC) No 816/70 laying down additional provisions regarding the common organization of the market in wine, and the common customs tariff regarding the exchange rates applicable to customs duties for certain wines (Doc 40/76);

This document has been referred to the Committee on Agriculture ;

— the proposal from the Commission of the European Communities to the Council for a regulation setting up a European Export Bank (Doc 41/76);

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

— the Communication from the Commission of the European Communities to the Council on the renewal of the Convention between the European Economic Communities and the United Nations Relief and Works Agency for Palestine refugees (UNRWA) — (Doc 42/76);

This document has been referred to the Committee on Development and Cooperation as the Committee responsible, and, the Committee on Budgets, for its opinion ;

**President**

(b) from the committees, the following reports :

- Report by Mr Spicer, on behalf of the Committee on External Economic Relations, on the protocol laying down certain provisions relating to the Agreement establishing an Association between the European Economic Community and Malta (Doc. 16/76) ;
- Report by Mr Gerlach, on behalf of the Committee on Budgets, on the proposal from the Commission of the European Communities to the Council for a regulation on the financial provisions applying to the European Centre for the Development of Vocational Training and to the European Foundation for the Improvement of Living and Working Conditions (Doc. 18/76) ;
- Interim report by Mr Gerlach, on behalf of the Committee on Budgets, on the draft annual accounts of the European Parliament for the 1975 financial year (1 January — 31 December 1975) — (Doc. 19/76) ;
- Report by Sir Geoffrey de Freitas, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission of the European Communities to the Council for a regulation laying down general rules for the supply of skimmed-milk powder as food aid to certain developing countries and international organizations under the 1976 programme (Doc. 23/76) ;
- Report by Mr Hughes, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation temporarily authorizing certain systems of catch quotas in the fisheries sector (Doc. 28/76) ;
- Report by Mr Vetrone, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of the Community tariff quota for certain wines, falling within subheading ex 22.05 of the Common Customs Tariff, originating in Cyprus (1976) — (Doc. 34/76) ;
- Report by Mr Martens, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation setting up a temporary system of aids to private storage of certain protein products (Doc. 35/76) ;
- Report by Mr Schmidt, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council for a regulation amending Council Regulation (EEC) No 2051/74 of 1 August 1974 on the

customs procedure applicable to certain products originating in and coming from The Faeroes (Doc. 36/76) ;

- Supplementary report by Miss Flesch, on behalf of the Committee on Budgets, on the proposal from the Commission of the European Communities to the Council for a regulation amending Council Regulation No 259/68 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities (Doc. 37/76) ;
- Report by Mr Albertsen, 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 European Social Budget (Doc. 38/76) ;
- Report by Miss Flesch, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission of the European Communities to the Council for a regulation on the supply of sugar to UNRWA as food aid (Doc. 43/76) ;

(c) the following motion for a resolution :

- Motion for a resolution tabled by Mr Blumenfeld, on behalf of the Political Affairs Committee, on the present state of the Euro-Arab dialogue (Doc. 20/76) ;

(d) the following oral questions :

- Oral question with debate put by Mr Boano, Mr Brugger, Mr Girardin, Mr Giraudo, Mr Ligios and Mr Vernaschi to the Council of the European Communities, on import restrictions applied by the French Republic to products coming from the Italian Republic (Doc. 21/76) ;
- Oral question with debate put by Mr Dykes, on behalf of the European Conservative Group, Mr Klepsch, on behalf of the Christian-Democratic Group, Mr Durieux, on behalf of the Liberal and Allies Group, and Mr Kaspeireit, on behalf of the Group of European Progressive Democrats, to the Commission of the European Communities, on relations between the EEC and the Soviet Union (Doc. 22/76) ;
- Oral question with debate put by Mr Jahn, Mr Vandewiele, Mr Memmel, Mr Burgbacher, Mr Artzinger and Mr Springorum, to the Council of the European Communities, on relations with COMECON (Doc. 24/76) ;
- Oral question with debate put by Mr Jahn, Mr Vandewiele, Mr Memmel, Mr Burgbacher, Mr Artzinger and Mr Springorum, to the Commission of the European Communities, on relations with COMECON (Doc. 25/76) ;
- Oral question with debate put by Mr Gibbons, on behalf of the Group of European Progressive Democrats, to the Commission of the

**President**

European Communities, on the Commission Communication on the Law of the Sea Conference (Doc. 26/76);

- Oral question with debate put by Mr Dykes, on behalf of the European Conservative Group, Mr Klepsch, on behalf of the Christian-Democratic Group, Mr Durieux, on behalf of the Liberal and Allies Group, and Mr Kaspe-reit, on behalf of the Group of European Progressive Democrats, to the Council of the European Communities, on relations between the EEC and the Soviet Union (Doc. 27/76);
- Oral question with debate put by Mr Nyborg, on behalf of the Group of European Progressive Democrats, to the Commission of the European Communities, on Community action to combat unemployment (Doc. 29/76);
- Oral question with debate put by Mr Alfred Bertand, Mr Jahn, Mr Härzschel, Mr Klepsch, Mr Lücker, Mr Memmel and Mr Schwörer, on behalf of the Christian-Democratic Group, to the Council of the European Communities, on Council implementation of the European Communities' environment programme of 22 November 1973 (Doc. 30/76);
- Oral question with debate put by Mr Gibbons, on behalf of the Group of European Progressive Democrats, to the Council of the European Communities, on the Commission Communication on the Law of the Sea Conference (Doc. 31/76);
- Oral question with debate put by Mrs Walz, Mr Klepsch, Mr Aigner, Mr Artzinger, Mr Blumenfeld, Mr Härzschel, Mr Mursch and Mr Springorum, to the Council of the European Communities, on violations of the Helsinki Agreement by the Soviet Union (Doc. 32/76);
- Oral question with debate put by Mr Van der Hek, Mr Carpentier, Mr Suck, Mr Delmotte and Mr Giraud, to the Commission of the European Communities, on France's withdrawal from the currency snake (Doc. 33/76);
- (e) — Oral questions put by Lord Gladwyn, Mr Durieux, Mr Osborn, Mr Cousté, Mrs Ewing, Mr Mursch, Mr Lenihan, Mr Fletcher, Mr Berkhouwer, Mr Gibbons, Mr Nolan, Miss Boothroyd, Mr Spicer, Mr Dykes, Lord Reay, Mr Dalyell, Mr Fabbrini, Mr Prescott, Mr Hamilton, Mr Kavanagh, Mr Noé, Mrs Kellett-Bowman, Mr Howell, Mr Herbert, Mr Van der Hek, Sir Geoffrey de Freitas, Mr Seefeld and Mr Sandri, pursuant to Rule 47 of the Rules of Procedure, for Question Time on 7 April 1976 (Doc. 39/76);
- (f) from the Council of the European Communities :
  - a note concerning the revision of the triennial financial forecasts 1976-77-78 (Doc. 15/76);
 This document has been referred to the Committee on Budgets;

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

**President.** — I have received the following :

- (a) from the Council of the European Communities and the Group of ACP countries a certified true copy of the following document :
  - Exchange of letters between the President of the Council of the European Communities and the President of the Council of Ministers of the African, Caribbean and Pacific States extending application of the provisions set out in Paragraph 2 of the exchange of letters of 28 February 1975;
- (b) from the Council of the European Communities a certified true copy of the following documents :
  - Agreement in the form of an exchange of letters relating to Article 9 of Protocol No 1 to the Agreement between the European Economic Community and the State of Israel and concerning the importation into the Community of tomato concentrates originating in Israel
 (this text cancels and replaces the copy receipt of which was announced at the plenary sitting of 15 December 1975);
  - Agreement extending the provisions governing the first stage of an Agreement establishing an Association between the European Economic Community and Malta;
  - Protocol laying down certain provisions relating to the Agreement establishing an Association between the European Economic Community and Malta, together with financial protocol and final act;
  - Notice of the completion by the Community of the procedures necessary for the entry into force of the Agreement between the European Economic Community and the Republic of Austria on the simplification of formalities in respect of goods traded between the European Economic Community on the one hand and Greece and Turkey on the other hand when the said goods are forwarded from Austria.

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

**8. Authorization of reports**

**President.** — Pursuant to Rule 38 of the Rules of Procedure, I have authorized the Committee on External Economic Relations to draw up a report on the present state of relations between the European Community and the Scandinavian countries.

### 9. *Limit on speaking time*

**President.** — In accordance with the usual practice and pursuant to Rule 31 of the Rules of Procedure, I propose that speaking time be allocated as follows:

Reports:

- 15 minutes for the rapporteur and one speaker for each political group;
  - 10 minutes for other speakers;
  - 5 minutes for speakers on amendments
- Oral questions with debate:
- 10 minutes for the author of the question;
  - 5 minutes for other speakers.

I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr President, I assume that you will be making two exceptions to the limits on speaking time which you have announced for this part-session. After their meeting this evening, the chairmen of the political groups will be proposing that Rule 28 of the Rules of Procedure should be applied to the debate on the social situation and that the usual limitation on speaking time should not be imposed in the general debate with the President-in-Office of the Council on the outcome, or as it might more accurately be termed, the failure of the European Council meeting.

**President.** — In fact, at the meeting of the enlarged Bureau it was decided that there would be a three-hour debate tomorrow on the report on the social situation. The debate on the statement by the President-in-Office of the Council on the deliberations of the European Council will also be organized taking into account proposals submitted by the groups.

Are there any objections?

That is agreed.

### 10. *Decision on urgent procedure*

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

Are there any objections?

That is agreed.

### 11. *Order of business*

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

At its meeting of 23 March the enlarged Bureau prepared the draft agenda which has been distributed. I must inform you, however, that since the report by Mr Glinne on a Community social security system and that by Mr Willy Müller on the use of fuel oils have not been adopted, they have been withdrawn.

Also, the Council has informed me that it will be unable to give an answer during this part-session to

the oral question with debate by Mrs Walz and other on the Soviet Union's violations of the Helsinki Agreement, since the question was tabled after the specified time-limit.

Finally, the oral question to the Council by Mr Boano and others concerning French restrictions on the import of Italian products has been withdrawn from the agenda at the author's request.

I call Mr Krall.

**Mr Krall.** — (D) Mr President, may I make request in connection with today's agenda. On the report by Mr James Spicer, Document 16/76, we have amendment No 1 tabled by Mr Bangemann on behalf of the Committee on Budgets which is to explain to us. Mr Bangemann is now on his way to Luxembourg and I would ask on his behalf for the debate on this report to be postponed until he arrives.

**President.** — We shall take your request into account as and when necessary during the sitting.

The agenda is therefore as follows:

*This afternoon:*

- Commission statement on action taken on the opinions of Parliament;
- Burgbacher report on the liquefaction of coal;
- Spicer report on the EEC-Malta Association Agreement;
- Hughes report on catch quotas in the fisheries sector;
- Martens report on private storage of protein products.

*Tuesday, 6 April 1976*

*10 a.m. and 3 p.m.:*

- Giraud report on transit traffic through Austria and Switzerland;
- Gerlach report on the European Centre for the Development of Vocational Training;
- Joint debate on
  - the report by the Commission on the social situation,
  - the Albertsen report on the Social Budget
  - the oral question to the Commission on action to combat unemployment.

*Wednesday, 7 April 1976*

*10 a.m. and 3 p.m.:*

- Question time;
- Statement by the President-in-Office of the European Council, on the deliberations of the European Council followed by a debate;
- Oral question with debate to the Commission on France's withdrawal from the currency snake;
- Blumenfeld motion for a resolution on the Euro-Arab dialogue.

**President**

*Thursday, 8 April 1976*

*10 a.m., 3 p.m. and possibly in the evening:*

- Joint debate on
  - the oral questions on relations with COMECON,
  - the oral questions on relations with the Soviet Union;
- Joint debate on
  - the motion for a resolution tabled by Mr Broeks and others on education,
  - the oral question to the Council on education;
- Oral question with debate to the Council on the action programme on the environment;
- Joint debate on the oral questions on the Law of the Sea Conference.

*Friday, 9 April 1976*

*9.30 a.m. to 12 noon;*

- Possibly, continuation of Thursday's agenda;
- Gerlach interim report on the annual accounts of Parliament for 1975;
- Brugger report on the report of the ECSC Auditor for 1974;
- Flesch report on the supply of sugar to UNRWA (without debate);
- de Freitas report on the supply of skimmed milk powder;
- Flesch supplementary report on the Staff Regulations of Officials of the Communities;
- Vetrone report on a tariff quota for certain wines;
- Schmidt report on certain products of The Faeroes (without debate);
- Bermanni report on units of measurement.

**President.** — Are there any objections?

That is agreed.

I call Sir Peter Kirk for a procedural motion.

**Sir Peter Kirk.** — Mr President, there is a rule that committees should not meet when Parliament is meeting. This week there is a plethora of committees meeting. I do not want to stop any of them meeting, but would ask that the attention of chairman of committees be drawn to this rule once again, because it is impossible for the work of Parliament to be properly done if the committees are constantly meeting during the part-session.

*(Applause)*

**President.** — I note your remarks and will do everything in my power to ensure that the rule is followed.

Unfortunately our agendas are becoming longer and longer and during this part-session there will be budgetary consultations with the Council. These have to be held so that the rest of the time-table can be followed. The Committee on Budgets itself has to meet in advance to prepare for these consultations.

These are requirements which we have to fulfil, but note will be taken of your comments.

I call Mr Fellermaier.

**Mr Fellermaier.** — *(D)* Mr President, I believe that everyone in this House will realize that the Committee on Budgets is constantly having to work under considerable pressure of time. If therefore seems quite appropriate for you, Mr President, to allow special arrangements for the Committee on Budgets in view of the need to organize consultations between the Council of Ministers and this Assembly. But I agree with my colleague Sir Peter, that a tendency which is gradually extending to all kinds of committee meetings is no longer acceptable. The political groups are responsible for ensuring a good attendance at plenary sittings. But what are we to do when our colleagues inform us of all the meetings of delegations and committees which they have to attend during the week? I should therefore be grateful if the Bureau could consider this matter again at a meeting this week and hope that, if it adopts stringent rules, it will actually apply them — in other words the chairmen of committees must be asked to comply.

**President.** — The Bureau can examine this matter at its next meeting.

## 12. Procedural motion

**President.** — I call Mr Fellermaier to speak on behalf of the political groups on a procedural motion.

**Mr Fellermaier.** — *(D)* Mr President, ladies and gentlemen, the Council of Ministers of Foreign Affairs is meeting only a few yards away today. The Council of Finance Ministers is meeting in another conference room close by. The European Parliament has been convened here for a normal part-session to deliver its opinion, as stipulated in the Rome Treaty, as a consultative body on proposals from the Commission to the legislator, that is the Council of Ministers.

Mr President, we cannot pretend that our sitting today is a routine matter and behave as though nothing had happened. This Parliament is the first Parliament in Europe to be meeting on this Monday, and on behalf of European public opinion it must state how disappointed we are at the miserable results achieved by the Heads of State or Government. The results are indeed meagre.

*(Applause)*

It is not for us to judge how long the Heads of State or Government intend to make a mockery of their authority. As freely elected parliamentarians it is for us to decide when we must speak out if the process of European unification is losing ground instead of making progress.

We are deeply concerned, Mr President, and the political groups suggest that Parliament should interrupt



**Fellermaier**

its proceedings; you should call a special meeting of the Bureau to discuss how we should put our views to the Council of Foreign Ministers meeting here today; the Bureau can take its decision and the plenary sitting will then be resumed; you can inform the Assembly of the decisions and proposals of the Bureau and then go at once to the meeting of the Council of Foreign Ministers. That will be a test case showing how the Council of Foreign Ministers intends to arrange its relations with the Parliament. I therefore now propose that the sitting should be suspended for at least half an hour.

*(Applause)*

**President.** — The proceedings will now be suspended until 6 p.m. The House will rise.

*(The sitting was suspended at 5.20 p.m. and resumed at 6.25 p.m.)*

### 13. *Statement by the President*

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

I will now inform you of the decisions taken by the enlarged Bureau during the suspension.

The enlarged Bureau would like contact to be made this evening with the President of the Council of Foreign Ministers, which is at present meeting in Luxembourg, to ask for a delegation from this Parliament, made up of the chairmen of the political groups and the President of Parliament, to be received by the Council of Foreign Ministers so that we could express our disappointment at the outcome of the European Council meeting in Luxembourg on 1 and 2 April and to ask it to continue with the task entrusted to it by the Council, namely to settle the outstanding questions, in particular that of election of the European Parliament by direct universal suffrage in May-June 1978 with the maximum determination, the maximum tenacity of purpose and in consultation with our Parliament.

The Bureau approved the following statement expressing our position:

The European Parliament had firmly hoped that in spite of the various technical problems anticipated in different countries, a final decision would be taken at the European Council in Luxembourg on the election of the European Parliament by direct universal suffrage which regard to the outstanding questions, and in particular the allocation of seats among the Member States.

Our reasons for this hope were threefold:

1. the European Council is fully familiar with the problems involved; it has stated its position on several occasions and has already decided unanimously in favour of holding elections by direct universal suffrage in 1978.
2. the proposal put forward by the European Parliament (Patijn report) provided a basis for discussion which everyone considered reasonable and which could of course be adapted if necessary.

3. the European Council had to pronounce on the three main items on the agenda if it was not to seriously compromise its own credibility, which had hitherto remained intact.

The fact that it nevertheless did fail is extremely serious.

1. its failure to reach a final decision on direct elections calls into question the institutional development laid down in the Treaties, accepted by all the Member States and supported by an overwhelming majority of the peoples of Europe.
2. the fact that the issue involved, though extremely important, is purely institutional and not directly affected by considerations of national competition calls further into question the European Council's ability to provide a solution to the other difficult economic, monetary and social problems which it is having to face as a result of the current crisis.
3. Ultimately therefore doubt is cast even on the ability of the European Council to effectively fulfil its mandate, namely to devote itself to the major problems which the ordinary Councils of Ministers prove unable to solve.

If this impression were confirmed, the conclusion would be that, in spite of the political stature and the greater independence of its members, the European Council, meeting more frequently, will experience the same difficulties as the ordinary Councils of Ministers and the structural weaknesses will eventually prevail over the qualities of these individuals.

*In conclusion*, the European Council, meeting in Luxembourg, in spite of the gallant efforts of its President, Mr Gaston Thorn, and the political eminence of its members will leave the European Parliament and the peoples of Europe with nothing but a feeling of profound disappointment.

They call upon the Council of Foreign Ministers, which has been instructed to deal with the remaining differences in opinion, to make every effort to settle as soon as possible the outstanding problems in the hope that the European Council itself will take this to heart and, at the July Summit, succeed in rekindling our hopes.

*(Applause)*

Being anxious to fulfil the mission entrusted to me, I shall make contact with the President of the Council immediately in order to make preparations for tomorrow's meeting.

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

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

I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission.**— (1) Mr President, on two items which appeared on the agenda of the March part-session, the Commission accepted the amendments requested by Parliament.

### Scarascia Mugnozza

As regards the report by Sir Brandon Rhys Williams on the setting up of an institute for economic analysis and research, the Commission accepted all the amendments which were then forwarded to the Council in accordance with Article 149 of the Treaty. The Assembly has already been informed of this.

As regards the report by Mr Spicer on mayonnaise, here too the Commission accepted the amendments proposed by Parliament and forwarded them to the Council under the procedure already referred to.

In conclusion I hope that Parliament will be satisfied at the fact that all the amendments it has proposed have been accepted by the Commission which has incorporated them into its proposals to the Council.

#### IN THE CHAIR SIR GEOFFREY DE FREITAS

*Vice-President*

##### 5. Promotion of coal liquefaction

**President.** — The next item is the report drawn up by Mr Burgbacher, on behalf of the Committee on Energy, Research and Technology, on the possibilities and limits of a Community policy to promote the liquefaction of coal for the purpose of manufacturing synthetic fuels (Doc. 407/75).

I call Mr Burgbacher.

**Mr Burgbacher, rapporteur.** — (D) Mr President, ladies and gentlemen, in its title which refers to the possibilities and limits of coal liquefaction, this report already shows a certain scepticism at least for the immediate future. In 1972, the Committee on Energy, research and Atomic Problems set itself the task of reporting on ways of securing constant and sufficient energy supplies for the Community with a view to guaranteeing, promoting and further developing the competitiveness of the Community on the world market as a pre-requisite for economic growth, full employment and a progressive social policy. This decision of principle by the committee was then followed by a series of reports dealing with the detailed possibilities afforded by substitute sources of energy to achieve the energy targets programmed in most Member States and in the Community according to which dependence on oil should be reduced from the present level of over 60 % to about 40 % by the year 1985.

In its motion for a resolution, Parliament calls upon the Council to consider liberal application of Article 95 of the ECSC Treaty and Article 235 of the EEC Treaty for those areas of this policy in which the Community appears to have no powers, because this is one of the legal pre-requisites for furtherance of the substitution policy.

The committee instructed me to draw up this report on 17 December 1973. On 21 November 1975, the Committee unanimously adopted the draft report and

motion for resolution and I therefore urge you also to vote in favour of the motion. It contains an appeal to this Parliament, the Commission, the Council, the national governments and industry to devote further attention to the processes for coal liquefaction, because there is still a great deal to be done.

In addition, I would ask all of you to read the report at your leisure. It is predominantly technical and contains a bibliography which is an essential background to this particular report. I would be really grateful to my colleagues if they could find the time — if they wish to become better acquainted with the subject — to read this text.

Because fuel for engines can be more easily extracted from mineral oil, many experts consider it desirable as an initial step to progressively replace the heavy fuel oil used in power stations and blast furnaces by coal and to process this oil by hydrogenating cracking to obtain lighter fractions. Only if these measures are not sufficient and if there should be a further steep rise in the price of mineral oil, would it be desirable to reconsider from a practical angle the question of the production of petrol from coal.

Proven methods of coal liquefaction are available. In my own country large plants operated on this principle during the second world war. I might mention the Pott-Broche process (involving coal extraction), the Bergius and Pier process (involving coal hydrogenation) and finally the Fischer and Tropsch method for petrol synthesis. It is not therefore a matter of breaking new technical ground but of determining when coal liquefaction can be fitted viably into the economic landscape; this in turn depends on the threshold prices or whatever they may be called. As yet no decision has been taken on this and all other important aspects. We hear talk of a price of 7 dollars per barrel of oil. Many experts say that this is too low, many say it is reasonable and perhaps there are others who say it is too high. Expert discussion on minimum prices reveals a variety of views on the price — between 5 and 12 dollars per barrel — considered necessary for substitute sources of energy to be developed with any economic success.

The urgency of this problem arises from the fact that crude oil production prices vary so widely from 20 cents to 6, 7 or even more dollars. There are rumours that the minimum price for North Sea oil should be between 4 and 11-12 dollars per barrel. As you can see there are tremendous differences of opinion which cannot simply be swept under the table but must be examined to find the correct solution.

I wish to be brief and simply draw attention to recent events. First an item of news from London: on 4 April, the British Government gave the green light for development of the largest and most valuable coalfield in the country at Selby in Yorkshire. When this approval was given the Minister of the Environment, Anthony Crosland, immediately called for certain safeguards. The view in the United Kingdom is that with

## Burgbacher

this new coalfield and North Sea oil all the requirements are met for supplying Britain's energy needs. This seems to me an important consideration of energy policy.

At roughly the same time, the executive director of the International Energy Agency, Dr Ulf Lanzke, made the following comment: for the foreseeable future coal will remain an important source of energy supplies in Germany and Europe. Therefore its *status quo* must be maintained even in the context of general energy savings. But the mining industry must also be prepared for the time when oil is in short supply, especially as nuclear energy may well fail to close the energy gap in Europe to the extent hitherto hoped for.

In Ulf Lanzke's opinion, a further reduction in the proportion of coal used for electricity generation can be expected, although the coal substitution possibilities in other sectors have often been overestimated. On the other hand, the prospects for coal in the chemical industry are being underestimated as they are in the area of coal liquefaction, with which we are concerned today, and coal gasification. Industrial exploitation could not, however, begin on a general scale for fifteen years, i.e. in 1990. In our view, a further energy price crisis can be expected in the mid-1980s when oil price policy starts to move again. No matter whether development favours oil, coal or nuclear energy, the cost price gap will become considerable.

The purpose of this report is to appeal to all concerned to study coal liquefaction as well as coal gasification. At present oil price levels, gasification of lignite using process heat from high-temperature reactors would already be economically viable today. The same does not hold good for the other processes. However, as prices are on the move everywhere we must always be prepared for substitutions. For this reason I urge Members to vote in favour of the motion and, as I said earlier, to read the report when they have a spare moment.

*(Applause)*

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

**Mr Flämig.** — *(D)* Mr President, I would like to begin by thanking Mr Burgbacher for his report and also for the word of warning with which he presented it to us here. The title of this report refers only to the possibilities and limits of a Community policy to encourage the liquefaction of coal with a view to the production of synthetic fuels.

On reading the motion for a resolution, however, we see that Mr Burgbacher has gone further than this. He draws attention again to the need for the Community to speak with a single voice in the forum of the industrialized nations and in the context of cooperation in the OECD. That appeal cannot be made too often here.

He reminded us in his speech of the reference price which is an extremely topical matter at present, because we cannot talk seriously about substitute forms of energy unless we have an assurance that these substitute sources can be produced under economically viable conditions. That is an important criterion.

May I just add, Mr President, one point which Mr Burgbacher did not include in his oral observations but did put forward in his motion for a resolution on behalf of the committee, namely the increased utilization of domestic energy sources and in particular the need for energy savings. We have often mentioned that need here; but it is appropriate for Mr Burgbacher to refer to it because if we are to speak of reference prices for the purchase of crude oil from countries outside the Community, we must recognize with the same priority the need to make all possible savings within our Community — and here a great deal remains to be done.

Finally, the reference to the further development of Community legal acts is very important, because we have unfortunately seen that our technical efforts and advice are not sufficient in themselves unless the legal experts, in this case the Treaty experts, follow our proposals. It is therefore particularly important that the motion refers to the liberal application of Article 95 of the ECSC Treaty and Article 235 of the EEC Treaty; this point received considerable attention in our committee meetings.

Finally, Mr President, a word on Mr Burgbacher's observation regarding research or the intensification of research and provision of the necessary funds. We agree that coal liquefaction is only feasible if economic viability is guaranteed. I have already made this point in a different context. This has become so important now because high-temperature reactor development has been slowed down or has fallen behind schedule, indeed is facing difficulties. But I consider the development of high-temperature reactors a prerequisite for the economic viability of coal liquefaction. Mr Burgbacher drew attention to this. I am rather more pessimistic than he is, Mr President. I do not believe that we can say at present whether the production of fuels will be possible by this means, at least under economic conditions similar to those afforded by the other processes; only research will tell. Therefore this report highlights the need to continue research.

In conclusion, as Socialists we support this motion. We are pleased that an appeal is being made to the Council and beyond the Council to the interested sectors of industry in Europe which must also play their part, because we cannot manage with Council decisions alone. Parliament has recognized the problem. We hope that our appeal will be heard and that the first successes will soon be observed in this field which is so very important.

**President.** — I call Mr Vandewiede to speak on behalf of the Christian-Democratic Group and the European Conservative Group.

**Mr Vandewiele.** — (NL) President, the report by our colleague, Mr Burgbacher, is typical of his modesty which we are so familiar. Its title is:

Report on the possibilities and limits of a Community policy to promote the liquefaction of coal for the purpose of manufacturing synthetic fuels.

I wish to pay tribute to Mr Burgbacher's scientific approach to a problem with which he has been familiar for many years. We are particularly grateful to him for the concrete proposals he has put forward backed by a serious study of the methods used in this area in Germany, the United States and South Africa.

Following on from our earlier remarks we believe that in addition to serious efforts to make further savings of energy, faster exploration of domestic energy sources and the development of nuclear energy, special attention must be given to the problem of the gasification and liquefaction of coal. The question of the future development of the coal sector in the Community will be dealt with in its entirety in the debate on the report by Mr Springorum. Our groups believe that Community coal production must not only be maintained at its present level but further developed with a view to safeguarding the Community's most urgent requirements. In its proposals to the Council the Commission expressly stated, and I quote from the Commission's report on energy policy for the period 1975-1980:

'Developments in the coal sector have meant that very substantial quantities of energy are being left in the ground. This is especially true of the European Community. It would therefore be desirable to develop techniques for coal-winning in a manner which is adapted to the existing distribution and consumption structures.'

Our groups consider that the necessary attention must be given to research and development activities in the area of the extraction of liquid hydrocarbons from coal and lignite. The studies referred to in the Burgbacher report show that the methods known at present are, however, expensive. Having regard to the latest price trends in all energy sectors it may be expected that the process of replacing petroleum by other energy sources will be speeded up. The necessary resources must therefore be made available for research and financing of test plants for coal liquefaction and perhaps also for the improved production of light engine fuels from waste oil.

I would draw your attention again to the highly technical discussion in Mr Burgbacher's report. In paragraph 7 of the motion for a resolution we in turn stress the need for coordinated cooperation between the authorities of the Member States and the industries concerned.

Mr President, the rapporteur has been extremely cautious in formulating his conclusions. In answering

the question as to whether it is feasible to produce petrol from coal, he has rightly placed emphasis once again on the fact that purely economic considerations are not the only relevant factor here. He also calls our attention to the alternative uses of coal, the need for raw materials for organic chemistry and in general for secure energy supplies. We therefore support his proposals concerning the urgent need for more intensive research with a view to the further development of a number of pilot plants in the area of coal liquefaction.

The Christian-Democratic Group and the European Conservative Group will vote in favour of the motion for a resolutions.

(Applause)

**Mr Ellis.** — Mr President, I want first of all to thank Mr Burgbacher for his admirable report, and secondly to comment very briefly indeed on one or two points. I think it was Mr Burgbacher himself who said that you could view the report with some temporary scepticism — I think those were his words — and that is true. I suppose it could be read in that way and to that extent too it might be considered platitudinous. I do not mean to imply any criticism whatsoever of Mr Burgbacher, what I mean to imply is that here we are mouthing these truths again and again and again, and no one — certainly not the Council — is doing anything at all about it in terms of an overall Community energy policy.

The report itself, of course, is largely technical and indeed forms what I consider to be an admirable handbook on the question of the liquefaction of coal — an admirable handbook for laymen — and to that extent it performs a very useful job indeed. It also, I think, in a technical sense, does a useful job in drawing one or two fairly sound technical conclusions. It makes the point, for example, that light petroleum products should be produced from the heavier petroleum products and the heavy end of the petroleum range should be replaced by coal — that kind of conclusion is, I think, a very useful one.

However, I think the real conclusion to come from the report is a much broader one, and boils down to the need to reconcile the short-term market responses in the energy field with very long-term demands — and because things are moving so very rapidly, the long-term is becoming very abbreviated, so that it boils down to a matter of what are we going to do in as short a time as ten years from now. The report does, I think, spell out a lesson, that I hope the Council and everybody in the Community concerned with this matter will pay attention to. Clearly, as Mr Burgbacher says on page 16 where he refers to the production of light hydrocarbons, petroleum is technically by far the superior raw material, and he refers to the fact that the cracking of heavy oil fractions by

Ellis

hydrogenation has become extremely popular in the last few years due to the cheapness of heavy oil, a consequence of the low price of coal and high proceeds from petrol. Well, I am quite prepared to accept that, although some people might think that coal itself has been expensive. The point is, however, that these comparatively short-term fluctuations in prices of competing energy sources, have resulted in the adoption of policies which are not in the long-term interest of any of our Member States or of the Community as a whole.

It is interesting to note that the real cost of production of coal, certainly as regards indigenous coal in the Community has been increasing. Of course this is of fundamental importance in a quaternary economy where, in a sense, if the real cost of a primary product increases, we are eventually going to move from a quaternary to a tertiary economy and so on. The point that that brings to mind, in my view at least, is that while the real cost of oil production has not increased, it may well do so in due course and will then become just like coal, a very scarce commodity because of the remarkable increase in the consumption of energy on a world-wide scale in recent years. I don't want to bore the House with statistics, but the energy consumption figures for the last fifty years show a fantastic increase and the question really is, where is it all going to come from? The point that Mr Burgbacher makes, therefore, of devoting some of our energies to a longterm consideration of the issue and in particular to the whole question of research into the liquefaction of coal and the production of various liquid energy sources from it, I think, very fundamental indeed. It is because of the emphasis on the need for longterm considerations in this very important field that I both welcome and support his report.

*(Applause)*

**President.** — I call Mr Simonet.

**Mr Simonet, Vice-President of the Commission.** — *(F)* Mr President, allow me to begin by endorsing the well-merited congratulations addressed to Mr Burgbacher on his excellent report on a problem which, as everyone can see, is highly technical. I have only a few comments to make on the content of the report. It fits in perfectly with the proposals which the Commission has made on energy policy in general and on certain more specific aspects. At the general level, first of all, because it reflects a determination to achieve greater independence from imported oil; more specifically because it fits in with the proposals already made by the Commission and its efforts to encourage research and studies in this area. Perhaps we shall have to reconsider a number of economic hypotheses and perhaps it will transpire, this at least is my conviction, that apart from a particular type of product — in this case heavy fuel oil — the liquefaction of coal will prove too expensive. Nevertheless

every path must be studied and the proposal made a few months ago by the Commission to devote 15 to 20 millions u.a. from the Community budget to encouraging the creation of pilot plants coordinated at Community level also accords with the approach I have just outlined.

However, after explaining these reasons why I share the views of Mr Burgbacher and subsequent speakers, I must add that not all the Member States appear to endorse these views. As I just told you, we had asked for an appropriation from the Community's general budget to be earmarked for further studies in this areas. At the different expert levels we encountered an extremely lukewarm not to say reserved response. Some put forward technical arguments as a reason for not embarking on the type of study we all want while others recognized the desirability of these studies but stressed the importance of the research work already undertaken and continued for several years in a number of non-Community countries, in particular the United States. A study system which is now being discussed in the International Energy Agency, touches on the coalmining industry and the scientific developments on the basis of which progress might be made on the lines suggested by Mr Burgbacher. This leads me to say that if something must be done it will be relatively limited; but nobody, I believe, would dispute this fact and we must be glad that something at least is being done. We are more disturbed by the fact that this something may once again take place outside the Community.

Here I wish to make a very general observation to which we may perhaps return one day if we ever consider the whole subject of energy policy. The Community is stagnating in the energy sector as it is in other areas and the regrettable lack of any results from the meeting of Energy Ministers and from the European Council shows that if initiatives are to be taken they will most likely be taken outside the Community. Every possible appeal and every possible effort must therefore be made, however repetitive this may seem, to bring the Member States' governments to understand that, despite everything and regardless of the initiatives taken outside the Community in this and other areas, the Community must not give in but must also attempt to pursue its own research programme in areas with a promising future.

*(Applause)*

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

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

#### *16. Protocol on the EEC-Malta Association*

**President.** — The next item is the report drawn up by Mr Spicer, on behalf of the Committee on External Economic Relations, on the protocol laying down

<sup>1</sup> OJ C 100 of 3. 5. 1976.

### President

certain provisions relating to the Agreement establishing an Association between the European Economic Community and Malta (Doc. 16/76).

I call Mr Spicer.

**Mr Spicer, rapporteur.** — Mr President, may I at the outset say that before this debate opened I had the opportunity to speak to several colleagues on the Committee on External Economic Relations and they all said they would accept the two new paragraphs proposed in the amendment tabled on behalf of the Committee on Budgets by Mr Bangemann and so we would accept those and are indeed very grateful to him for having proposed them.

Mr President, this report relates to protocols to be added to the Association Agreement between the Community and Malta entered into on 1 April 1971. The contents of that Agreement were approved by this Parliament early in 1971 and our report at that time expressed the satisfaction of Parliament not only with the Agreement but with the intention contained within it that Malta would eventually accede to the Community.

Following the Community resolve to adopt a Mediterranean policy and following the accession of the United Kingdom, in particular, to the Community — the importance of this being, of course, that the United Kingdom is Malta's primary trading partner — it was decided to consider an extension and strengthening of the terms of this Agreement. These negotiations opened in Brussels in September 1974 but the initial proposals of the Community were not acceptable to the Maltese. There were further informal discussions in 1975 and improvements were then made to the Community offer and the new Agreement was signed 4 March 1976. The main points of this were as follows: an extension of the existing association of 1970 to include the United Kingdom, Ireland and Denmark, certain agricultural preferences, not of major importance against the overall production levels within the Community, and thirdly the provision of financial and technical cooperation and aid at a level of 26 million u.a. over a period of five years, 16 million u.a. in loans on market terms, 5 million u.a. on special loan and 5 million u.a. as a grant.

I should emphasize that this agreement is not the second stage of the 1970 Agreement. Negotiations on this will open within a few months and the first stage has therefore been extended until June 1977. I hope that Parliament will give a warm welcome to the new provisions and to this report which, as I have already said, was unanimously adopted by the Committee on External Economic Relations.

There are two points, however, which I would like to emphasize very strongly. One is mentioned in our report and the other is not. The first point, which is

emphasized in our report, is the urgent need to establish regular contacts with the Maltese Parliament as set out in the 1970 Agreement. Our committee could not, and indeed cannot understand why steps have not already been taken in this matter and we would suggest that the approval of these protocols should act as a spur for immediate action in establishing such links.

My second point is rather outside the terms of the report, but it was raised within our committee by my friend and colleague, Mr Scott-Hopkins, as a matter of some urgency and as a matter that we should consider within this Parliament. It concerns the other agreements which have been entered into by Malta with third parties. It does seem from some research that I have done that these agreements tend in the main to be with three main partners. First, the People's Republic of China; secondly, North Korea, and thirdly, Libya. The information that I have been able to obtain is fairly sketchy but it does obviously indicate that loans, very often interest-free, have been given to Malta by these countries, but in certain cases, commencing perhaps in 1984, repayment has to be made. The Chinese loan was nearly £ 17 million and the third article of the agreement on this states that:

'The government of Malta shall repay the abovementioned loan with commodities exported to China. The repayment shall be effected during the years commencing 1 May 1984 and ending 30 April 1994. During each of these years one-tenth of the used amount of the loan shall be repaid.'

I would not in any way suggest that this Parliament, or indeed the Community, has any right to interfere in other arrangements that may have been made by Malta, but I would suggest that we have a right to ask the Commission to obtain an assurance that none of these agreements will impinge in any way on the financial or trade provisions contained in our new protocols.

Finally, may I say that it is the lack of information we have in this Parliament on these outside trade agreements which makes it all the more vital for links to be established between this Parliament and the Parliament of Malta. I hope, Sir, that you will convey to the President of the Maltese Parliament our firm conviction that these links must be established at the earliest possible moment. We have a partner of long standing accepted into an association agreement and yet such links have not been concluded with Malta. Others have come along asking for parliamentary links, whether they have a genuine parliament or not, and we seem to give the request top priority and treat it as a matter of great urgency. I suggest that we should give the same urgency to this matter. Having raised these two points, may I again commend this report and the Protocol to the Parliament on behalf of our committee.

(Applause)

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

**Mr Nyborg.** — (DK) I must first take advantage of this opportunity to thank the rapporteur for his report on our relations with Malta.

It is gratifying that the negotiations which have just been concluded will lead to a strengthening of economic and commercial ties between Malta and the Community. It has been necessary to enlarge the Association set up in 1970 to include the three new Member States.

We also welcome the fact that it has been possible to reach agreement on the lowering of tariffs on a number of Maltese agricultural goods, since we do not think that this will cause any trouble to agriculture in the Community. This reduction will assist development of Malta's economy because the greater part of its production lies in the agricultural sector and it has few other resources to call upon. Having taken this into consideration, one must also support the intention included in the agreement to finance projects able to contribute to Malta's economic and social development.

Financial aid of this type must be regarded as helping the Maltese to help themselves and therefore it is necessary to lay down rules for supervising the use of these grants. Of course, difficulties may occur if Malta claims that her sovereignty is being violated but steps must be taken to ensure that the grants are used in the proper way. Similarly, as the Committee on Budgets stressed, the Maltese Government must in any case be required to give a guarantee in cases where the recipient of a grant is not the Maltese state itself.

A completely different problem is how this financing is to be carried out. Here I have to support the solution preferred by the Committee on Budgets, namely that the grants should be financed through the budget. If, instead of this, the Member States are allowed to give their aid directly to Malta, the scheme will lose its Community character. If the aid passes through the budget, Parliament, with its increased budgetary powers, will to a certain extent be able to monitor expenditure.

In view of Malta's position in the Mediterranean and of its political structure, it is extremely important that the European Community should strive towards the best possible relationship with Malta, particularly with regard to the implementation of a common Mediterranean policy. For these and other reasons, therefore, we must hope that regular cooperation will be established as soon as possible between the European Parliament and the Maltese Parliament, such as was stipulated in the 1970 agreement and also set out so clearly by the rapporteur, Mr Spicer.

Finally I must urge that in granting aid to developing countries there should be no discrimination in its distribution or volume such as seems to be the case on the European Community's southern flank. We need to strengthen our links with states over the whole world.

I can therefore, on behalf of the Group of European Progressive Democrats give my support to the Commission's proposal to prolong the first Association Agreement until 30 June 1977 and I can also recommend that the present motion for a resolution be adopted.

(Applause)

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — I very much welcome this report, not least because my own personal knowledge of Malta leads me to suppose that this is an island unique in the Mediterranean area for its stability, for the progressive ways in which it is seeking to deal with the very real economic problems that it has at the present time, and because I believe that the European Economic Community can only benefit from entering into an association with a society which has a high degree of skill and of intelligence at its disposal and which in the long run will be a great asset to the Community as a whole.

I was, however, slightly concerned at the very mild note of criticism that I thought I detected in the speech of the rapporteur at the failure to set up an adequate relationship with the Maltese Parliament. I have had the opportunity of listening to many of their debates — and I must tell you, Mr President, at the risk of being mildly offensive, that very frequently their debates are rather more lively than those that we have in this House and they are, I know, exceedingly anxious to set up the proper machinery to enable them to enter into discussion with this Parliament. I am sure that the rapporteur meant no intention whatsoever of suggesting that it was on the Maltese side that there was any wish to hold up this sort of development. May I give way? ...

**Mr Spicer, rapporteur.** — As is, in fact, implicit in our report, the rebuke is to this Parliament for failing to take the necessary action. As for the Maltese side, I know only too well how happy they would be to see this happen in the very near future.

**Mrs Dunwoody.** — ... I would say to the rapporteur that I did think it essential to get that point clear, because I was sure that it was not in the rapporteur's mind to appear to criticize a society which is a democratic, socialist society and one that we certainly in Great Britain have reason to admire and love.

**Dunwoody**

I would just say one other thing. There has been a suggestion that in developing a financial arrangement with the island of Malta we should from time to time seek to control or at least to monitor the arrangements it has with third countries. I think we must take exceeding care before we even appear to suggest that we are being the big brother keeping our eyes on the arrangements made by a very small member of the Community, which faces a very high level of male unemployment. I know it would not be in the interests of the EEC, when we are after all talking about quite small financial amounts, to appear to be imposing stricter restrictions on Malta than we do in some instances on our own Member States or on the associated countries. I am sure that the rapporteur did not have this in mind. I would, however, like the Commissioner to make it perfectly clear that what we are seeking from this tiny island, which efficiently produces early vegetables, which is a place of great beauty and great skill, the sort of association which will enable it to take its part in the future working of the EEC as a warm and welcomed member.

*(Applause)*

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — *(I)* Mr President, I shall begin by thanking Mr Spicer for his report and the Committee on Budgets for the opinion which the Commission has examined very closely.

The policy on Malta fits in with the overall policy of the Community on the countries of the Mediterranean basin and if we had failed to conclude an agreement with Malta or had that agreement been worded in terms different from those in fact chosen, we should have been discriminating against a country whose relations with the Community are of particular importance in view of its geographical situation in the centre of the Mediterranean.

Having said that and after thanking not only the rapporteur but also the Assembly, which has generally shown itself favourable to the resolution, I wish to make a few brief remarks. On agriculture, we expect to be able to present the relevant document before the summer. I also believe that the appropriations for Malta will be earmarked shortly since they will already be entered in the budget for 1977. We are also working on a document to be submitted to the Council with a view to obtaining a mandate for future negotiations and it will probably be possible to examine this document before the summer or in the late summer.

I turn now to two points raised by the rapporteur, only one of which is mentioned in the motion for a resolution. The point which does not appear is the fear that the resources made available by the Community may be used in Malta for a purpose different from

that specified: I would reply that in our view there should be no worry on this score. The resources and financing facilities made available by the Commission will be intended for the implementation of projects and the Commission will clearly see to it that the funds are used for the projects indicated. Obviously we cannot prevent our partners from obtaining aid in other quarters, but we can guarantee that the resources or funds made available by us for a particular purpose are used for that purpose and I can assure you that measures are already planned to avoid any distortion here.

Clearly with a view to better knowledge of the problems, closer relations between the European Parliament and the Maltese Parliament would be extremely valuable. The Commission has expressed this hope several times; that has also been its policy in the case of all associations with the Community. We have always wanted new associations to include provision for parliamentary contacts. Six years on from the 1970 agreements, it is therefore to be hoped that these contacts can be established: as I have said, they will be extremely useful for a fuller knowledge of the requirements of the Maltese State and will enable the European Community to subsequently propose more adequate aid formulae.

Mr President, I wish to thank the rapporteur and the speakers in this debate once again, and I hope that the resolution will be adopted this evening by the European Parliament as proposed.

**President.** — I call Mr Spicer.

**Mr Spicer, rapporteur.** — Could I just thank the Commissioner and at the same time reassure Mrs Dunwoody that it is entirely on the point that the Commissioner made that my interests centred. Our concern must be, in this Parliament and indeed within the Community, to see that no other agreements, which might be very severe in their ultimate effect upon Malta, at any time impinge upon the agreements that we have made with Malta. We must have some method of monitoring, and I am extremely grateful to the Commissioner for making that point very clear.

**President.** — The general debate is closed. We shall now consider the motion for a resolution.

I put the preamble and paragraph 1 to 5 to the vote. The preamble and paragraphs 1 to 5 are adopted.

After paragraph 5, I have Amendment No 1, tabled by Mr Bangemann on behalf of the Committee on Budgets:

After paragraph 5, insert the following two new paragraphs:

'5a. Considers that the appropriations to finance special loans and non-refundable aid to the Republic of Malta must be specifically mentioned in an appro-



**President**

priate entry in the Community Budget after their adoption by the budgetary authority under the general procedure for authorizing expenditure; reserves the right, should the Council object to their entry, to take recourse to the conciliation procedure;

- 5b. Asks for the annual results of financial cooperation to be communicated to it for consideration at the same time as to the Association Council.'

I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, I have the honour to move these two new paragraphs contained in the amendment on behalf of the Committee on Budgets. I can be brief, now that the rapporteur has been so kind as to say that, on behalf of a number of members of the Committee on External Economic Affairs, he also approves this amendment.

The problem is as follows. Of the overall financial aid resources amounting to 26 million units of account, the source of the two headings, special loans and non-refundable aid totalling 5 million units of account, is not precisely defined in the protocol. The Committee on Budgets considers that this is not simply a question of secondary importance. Considering that two financing possibilities are available based on different fundamental principles, one within the Community budget and the other outside that budget, this for us is a fundamental issue.

The Committee on Budgets felt we should make it quite clear — this is the reason for the new paragraphs — that these resources should be clearly shown in the budget. A solution of this kind is appropriate for both political and legal reasons.

In the first place it is quite clear that financing outside the framework of the budget means in political terms resorting again to the principle of bilateral financing of aid, while we have always attempted to adopt a Community solution to these problems. Financing through the budget would therefore support — incidentally this is also suggested in the Tindemans report — the financing by the Community of all Community measures, i.e. provision for these measures in the budget. In legal terms, it should be added that a solution outside the framework of the budget clearly contradicts the letter and spirit of Community legal norms. I do not propose to draw your attention here to individual articles of the Financial Regulation.

In addition this protocol can be seen as a kind of test case for the inclusion of Community aid to the developing countries in the budget and hence for the extent of the powers of this Parliament. We shall have to pronounce on a whole series of other agreements of this kind. If we were to agree in this particular case that these resources should be funded outside the budget, we should be diminishing our own budgetary

powers which we have fought so hard to acquire; Parliament should therefore insist on these resources being shown in the budget. The Commission, which adopted delaying tactics on this matter for some time, now seems to be leaning towards our view and if there is to be a dispute with the Council, it will certainly be useful, from the political and other angles, for the responsibility of the institutions to be made perfectly clear. That is the reason for our proposal.

In the Committee on Budgets we thought first of all of proposing a formal amendment to the protocol. However, in view of the well-known difficulty of amending an international agreement of this kind, we decided to table this amendment to the motion for a resolution.

Mr President, I wish however to make it clear that we are facing a fundamental problem here, namely how the views of Parliament should be sought on international agreements of this kind. So far, as we have seen with this and several other agreements, we are always consulted after the event at a time when the protocol has already been drafted. Although this protocol once again states that it is to be ratified after consulting the European Parliament, the fact of the matter is that we cannot influence the drafting of the text without causing serious international complications because we are consulted, as it were, after the event.

The Committee on Budgets therefore wishes to draw the attention of the Assembly once again to the following provision of Article 238 of the Treaty referring to agreements of the kind now under discussion: These agreements shall be concluded by the Council, acting unanimously after consulting the Assembly. In our view this means that in future cases of this kind we must insist, as stated here, on being consulted by the Council before individual texts are adopted and ratified so that they can scarcely be amended afterwards. These two points are made in paragraph 5a).

Paragraph 5b) of the amendment makes a practical proposal on ways of improving the information of our Parliament. We propose that we should receive information on the results of financial cooperation at the same time as the Association Council. May I add one point here to the observations made by Mrs Dunwoody. This is not an instance of 'big brother in action' — we simply want to make sure that these resources are actually used in the joint interest of the Community and Malta.

(Applause)

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

Amendment No 1 is adopted.

**President.** — I put paragraph 6 to the vote.

Paragraph 6 is adopted.

**President**

I put to the vote the motion for a resolution as amended a whole incorporating the amendment that has been adopted.

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

**17. Organization of the debate on the social situation**

**President.** — The enlarged Bureau has decided that speaking time for tomorrow's joint debate on social affairs should be allocated as follows :

Socialist Group, 45 minutes ;  
 Christian-Democratic Group, 40 minutes ;  
 Liberal and Allies Group, 25 minutes ;  
 The Group of European Progressive Democrats, the European Conservative Group and the Communist Group, 20 minutes each ; the non-attached Members, 10 minutes ;

The list of speakers will be closed at 10.30 a.m. tomorrow.

**18. Regulation on catch quotas in the fisheries sector**

**President, rapporteur.** — The next item is the report drawn up by Mr Hughes, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation temporarily authorizing certain systems of catch quotas in the fisheries sector (Doc. 28/76).

I call Mr Hughes.

**Mr Hughes, rapporteur.** — I can conceive of few issues which can be raised before this Parliament that would produce more political discontent and argument than that of fisheries. At the moment there is no doubt that we whole problem of fisheries within the Community is an area fraught with both political and economic differences.

With regard to the specific content of this particular motion for a resolution, I would emphasize that it constitutes a highly limited, highly restricted and narrow area for discussion and debate. What it aims to do is to enable the individual Member States, in the light of the judgment given on the van Haaster case by the Court of Justice, to implement international agreements which they had previously entered into. It is not for this Parliament to examine the validity or the value, or the size of those quotas. That is something that was decided in another place. This proposal is designed to give a clear-cut legalistic basis for implementing those decisions. The North-East Atlantic Fisheries Convention and the International Convention for the North-West Atlantic Fisheries have successively come to a series of quota agreements, to which the majority of members of this Community were independently and separately parties. The Community as a single entity played no part in coming to

decisions and again it is of no concern at this time to this House whether they ought to have been or they ought not to have been reached. At the time those agreements were reached, neither the Community nor this Parliament had a right to conclude any negotiations in those bodies and therefore the purpose of this particular proposal is to enable the individual Member States, who in the light of the van Haaster agreement may or may not be in some legal doubt as to their rights, to implement those conventions.

It would clearly be quite wrong for me, or for the Committee on Agriculture, or this House, to make any comment about whether those quotas were adequate for any particular country. That is not a proper area for discussion in this Chamber tonight and I am perfectly sure that were this debate to take place in a committee of my own Parliament, Mr President, no chairman would permit any remark to be made, except *en passant*, regarding that area which this report may tangentially refer to. Under the recent decision of the Court of Justice, although it dealt specifically with trees and flowers and other such exotica, there is some doubt as to whether fish quotas arranged and agreed under such international conventions can have the proper force of law when they are not enforced by the Community but enforced by the Member States and the purpose of the resolution before the House tonight is to approve the Commission's proposals.

The resolution makes it quite clear in point 2 that a Community system for the administration of fish catch quotas must be implemented in the near future. This resolution is not concerned with the fish catch quotas agreed to by another body to which this Community has no legal access as of now. The administration of such fish catch quotas must be a matter for the future and not a matter for historic argument. This proposal and this motion for a resolution deal merely with a temporary authorization of the Member States to do certain things which could conceivably, under the Court of Justice's ruling, be held to be illegal. The authorization by this Parliament and the Commission cannot under any circumstances be held to give a legal endorsement to that national government to carry out that activity on behalf of the Community. It carries out that activity *sui generis* on its own behalf and not as part of a Community policy. It is carrying that activity out consequent upon its obligations under its agreement to other conventions. If a particular country carries out its obligations under, for example, the North-East Atlantic Fisheries Convention it is not doing so as a consequence of a Community decision. This proposal merely authorizes that country despite the possibility of a Community legal decision to the contrary, to carry out those obligations which it has previously entered into in its own sovereign right within the North-East Atlantic Fisheries Convention. That is a point that has got to be kept before this House with scrupulous clarity throughout this debate.

<sup>1</sup> OJ C 100 of 3. 5. 1976.

## Hughes

This leads us, Mr President, to an area of rather more fundamental complexity. This particular motion for a resolution, however minuscule its legalistic basis, however fine the legal points that are involved, carries within it a matter of very deep consequence. It illustrates the fact that the Treaty of Rome and the various treaties of accession are of themselves neither wholly sufficient nor are they incapable of total emendation as a consequence of legal judgments. The fathers of the Treaty of Rome could not have conceived of the role which the North-East Atlantic Fisheries Convention could have played *vis-à-vis* the Member States adhering to the Treaty of Rome, but this particular report and the van Haaster judgment bring to the forefront a legal problem which only a re-examination of the treaties themselves can ultimately solve. It is not enough to present this Parliament, via the Commission, with a succession of reports of this sort which purport to set right weaknesses, or lacunae, within the Treaty of Rome or the Treaty of Accession. It is not enough for the Commission to come forward with an *ad hoc* solution to this particular problem. This case illustrates what I fear this House will have to face more frequently in the future, namely the need to look again at the fundamentals of those very treaties...

(Applause)

... a set of treaties, of which perhaps France and Holland were the only major maritime signatory countries. The laws relating to the sea in the treaties, which could have been perfectly proper as a legal basis for the original Community, are shown by the van Haaster case, and the provisions suggested by the Commission under these proposals, to be inadequate to deal with a Community of Nine which includes Ireland, Scotland, England, Denmark among its littoral states. The complexities of international maritime law which might conveniently have been swept under a carpet in Rome can no longer be kept from view in an enlarged Community.

While at one level this is a minuscule legalistic report, which simply permits the Member States to do that which, under a strict interpretation of the law of the Community, they were not permitted to, at another level this report raises some very fundamental questions about the long-term relationship between the Member States of the Community and the Community itself. I have no hesitation, Mr President, in recommending the report to this Parliament, but I would ask Parliament in supporting me to bear in mind that it covers a limited area and that there will be further and not far distant opportunities to debate much broader issues of fisheries within the Community, the whole law of the sea problem. I would ask this Parliament to bear in mind that within the narrow legalistic ambit of this report there lies a kernel of more serious consequence.

(Applause)

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

**Mr Kofoed.** — (DK) Mr President, I would like to say that I am in complete agreement with what the rapporteur has said and with his introduction to the report. I agree that the report deals first and foremost with legal questions, but I must also go along with him in saying that this short report raises some formidable political questions too.

I shall refrain from making any political comments. I would just add to Mr Hughes' speech that behind the report there is the fact that these fisheries conventions will have the effect of market organizations in the Community and that it is true that the fathers of the Treaty of Rome could obviously not have foreseen this.

If the quotas for the various types of fish are lowered, this in itself will lead to a reduction of supplies to the market. It will therefore upset the market and, in my opinion, this fact throws the responsibility on to the Commission. I therefore agree that it is right to authorize the Commission in the medium term to give Member States the power to implement the conventions. I have put this in the most complicated way possible but I trust my meaning will be understood.

There is a point in paragraph 2 I would like to say a few words on, and these are the possible future arrangements. It says 'believes that a Community system for the administration of fish catch quotas must be implemented in the near future'. I do not wish to start a political debate; I would only say that if the Commission is to take on this responsibility, it must first have the necessary expertise available to it. As I see it, the Commission does not have the necessary staff to be able to conduct any negotiations on behalf of the Member States. I have myself tried to take part in these international fisheries talks, and I know that the Commission, in practically every case, does not have the people in a position to conduct these negotiations. But in future, once the Conference on the Law of the Sea has reached its conclusions, the Commission will have to undertake negotiations and enter agreements on behalf of the Community, and then the Member States within the Community will have to divide the quotas among themselves fairly and impartially.

This will remain as difficult as it is in the present situation.

However, I can support this motion for a resolution and we shall be able to discuss the political dimension of this report on another occasion.

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

**Mr Nyborg.** — (DK) I would like to thank the rapporteur, Mr Hughes, for his presentation of this report before Parliament today. Clearly, it deals with a subject with which he is familiar. The report as such does not give rise to any great controversy and it must be said that this is exceptional at the present moment when the fishing industry is experiencing a very difficult period. A combination of overcapacity with regard to fishing fleets and a drop in fish stocks has been the cause of many of the latest problems. The situation is constantly with us and is further complicated by the cod war and the still unknown results of the Law of the Sea Conference. The situation at the moment in the Community is such that the necessary decisions on the Community's fisheries policy will have to be taken in the next few months.

Parliament has already held a number of debates on the problems of our fisheries. In addition on Thursday we shall have a debate, as a result of a request made by our group, on the Law of the Sea Conference. This problem is also being considered by the Committee on Agriculture, which at present is discussing a Commission proposal on the restructuring of inshore fishing. All of these discussions concern the Community's long-term policy. The present report is concerned with a particular and more immediate problem in that it deals with the removal of a legal ambiguity affecting the existing system of catch quotas in the North Atlantic. If these quotas, which have been agreed on internationally are declared invalid, the control on fish stocks which exists at the moment will disappear.

It may be desirable to abolish quota systems in the long term. However, until such time as a global fisheries system is negotiated and implemented, an extension of the existing systems is acceptable.

Catch quotas in the fisheries sector are something we have to live with for a certain time. Pollution of the sea is such a serious thing that it has already caused the disappearance of fish stocks from many areas. At the moment our fishermen have fewer and fewer areas to find fewer and fewer fish and this has even led to violence off Iceland's coast. Thus the administration of fish stocks in the form of an internationally agreed quota system is perhaps inevitable at present. But the objective we should very soon be aiming at, is to protect spawning areas for certain periods of the year. This protection should be total, it should make monitoring easier and, at the same time it might make it possible gradually to dismantle the quota systems.

There is another question to be considered. How can one make sure that each of the parties to the quota schemes will limit themselves to their own quotas? It would be pointless to expect 100% compliance since complete supervision is impossible. In spite of these agreements, there will always be some fishermen who are not disposed to observe the rules. There will

perhaps also be states which deliberately avoid applying the rules to their full extent. But another more important legal question is the enforcement of the Community's rights within the 200-mile exclusive zone, which presumably will soon be adopted, when and if fishing vessels from third countries with which the Community does not have agreements fish within this zone. I consider it crucial that the Community should solve this problem as soon as possible. Our fish resources are limited and we must therefore reserve them for our own fishermen. The Community will be supported in this if the Law of the Sea Conference in New York decides on a 200-mile economic sea zone. Since this outcome already seems certain, now is the time to begin negotiations on the withdrawal of third countries' fishing fleets from what will soon become the Community's economic sea zone within the said 200-mile limit. If the Community does not take the initiative quickly, some of the Member States will begin taking steps on their own behalf and this will make a solution at a Community level much more difficult in the long run.

Finally I would like to say that our group supports the Committee's motion for a resolution, with the modifications made by me, on a medium-term mandate to maintain the existing catch quotas.

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

**Mr Scott-Hopkins.** — Mr President, I will be short in what I have to say because I agree with what is being put forward by the rapporteur. May I begin by congratulating him on his report and the clarity of his speech just now in which he outlined the problems and also explained the narrowness of this debate. We all know that there are problems today in the fishery industry, and Mr Nyborg has been explaining some of them.

We know that these exist. But this particular proposal from the Commission is really a very narrow one and what it does, as our rapporteur has clearly said, is to put into legal form something which needs to be done, which has been done before, and which was in doubt following a ruling on a case by the Court of Justice on an entirely different subject. What it does now is to say that countries can lay down quotas and implement those quotas under an entirely different mandate, under the North East Atlantic Fisheries Convention, and that is acceptable within the Community.

I think we all recognize that the system of quotas, particularly those which we are extending for a year, is an unsatisfactory one. Most fishermen, certainly in the United Kingdom, are not at all happy with the way in which the basis for this quota that we are now extending was originally arrived at, and therefore I particularly support the second point of the report,

### Scott-Hopkins

which calls on the Commission to get a move on and do some rapid thinking to bring forward a system of administration for the fish catch quotas. I hope that they will do this very quickly, and I hope that the basis on which these quotas are arrived at is an entirely different one from that which is in operation under the North East Atlantic Fisheries Convention at the moment. I hope that it refers to species, that it lays down the difference between industrial fish and fish for human consumption, and so on. These are all important points which really cannot be left very long.

When I first saw the draft proposal, I was inclined to oppose it because I thought the time had really come not to extend something which really was not very satisfactory. Then on further thought and listening to the discussion in committee and listening to the rapporteur I came to the conclusion that it was quite right for my group to support this proposal and motion for a resolution.

I would in conclusion say one small thing to him. He left out the third small paragraph instructing our President to forward the resolution and the report of the committee to the Commission of the European Communities. It is a minor technical point but I suppose if it was not inserted, Mr President, this report might dive down to the bottom of a pit and would never be seen again. I would, therefore, propose an amendment that a paragraph to that effect be adopted at some future stage. In principle, however, my group supports this motion for a resolution and I sincerely hope that it will be adopted by the Commission.

**President.** — Mr Scott-Hopkins, Rule 22 of the Rules of Procedure lays down that reports and resolutions are automatically forwarded to the Institution which requested the opinion. Whether the paragraph is included or not makes no difference to the procedure followed.

I call Mr Prescott.

**Mr Prescott.** — Mr President, I want to congratulate my colleague Mr Hughes in presenting a resolution to us tonight which may well be highly legalistic and somewhat narrow but has very important ramifications for us here, and also for the Member States which are very much involved with fishing. It is perhaps a difficult argument for some to follow, but I think the issue is very fundamental and I hope absolutely clear as to what we consider to be the ramifications of this particular problem. A strict interpretation of the Treaty on this matter would clearly be disastrous for the fishing industry in the European Community. What we are seeking to emphasize tonight is the essential problem — we have discussed it on other occasions — facing the fishing industry in all our countries, and that is now to conserve the basic product in order to have

fishing industries in our countries. The problem is, how do we conserve the rapidly declining fish stocks within the waters of the Member States of the Community, when in nearly all the fishing areas of the world we are witnessing a decline, and in some cases rapid decline, or even extinction of certain fishing stocks, despite conservation through the use of the quota system.

So, clearly, any means by which we attempt to conserve stocks in the traditional way, whether by quotas or the more comprehensive solution of 'exclusive areas', certainly leads to a number of problems. These measures often fail to achieve their objectives and there is clear evidence in all fishing areas of stocks getting so low that it is leading to conflicts between countries — uppermost in our minds, of course, is the one between Iceland and my country, which involves the vital question of who owns very important resources.

Now the questions and principles involved here are covered by the Law of the Sea Conference, which we are to debate on Thursday. My colleague has said that he has addressed his remarks largely to the contents of his resolution and the report accompanying it. But what does one do in this transitional situation when there has been a ruling that the quota systems as agreed between the nations in the fishing organizations offend against Community Law? No matter what quota systems the nations, particularly the Community States, have agreed upon, this interpretation of the Treaty would mean that they are contravening Community rules and creating obstacles to trade, so that that very meagre measure we employ, the use of quotas to conserve fish, is no longer acceptable in the eyes of the Treaty. Therefore the resolution seeks to implement the temporary solution proposed by the Commission that we should recognize the quotas so long as we are reflecting on the interpretation of the Treaty and pending the outcome of the Law of the Sea Conference.

In view of the number of economic and social problems that the fishing industry faces at the moment, further uncertainty about the recognition of the quotas laid down by the international fishing associations will only lead to greater uncertainty in these very important industries. Therefore, we certainly accept the resolution and its recommendations; what we want to emphasize, and really this is the point, is that the Commission must be clear — and we will spell it out in a more definitive way in the debate on the Law of the Sea Conference on Thursday — that what this report is demonstrating is that the Treaty, as it is worded, cannot possibly help the problems of the fishing industry. The Treaty will have to be changed, and even if that is reprehensible to some, they will have to face the fact that if we are to do something about the problems of the fishing industry, a funda-

**Prescott**

mental change has to be brought in the Treaty's approach to this particular matter.

Secondly, the Commission must recognize that the quotas are not sufficient. Whether implemented by the EEC or international organizations, they do not get to the root of the problem of conserving fish, and that is what all fishing industries depend on.

The third point I want to bring to mind is the question of the exclusive areas which may be suggested in this recommendation when it refers to twelve-mile limits. We would not want the Commission to go away with the belief that the twelve-mile limit may be interpreted as an acceptable 'exclusive area'. It clearly is not and we will spell that out again on Thursday: twelve miles may be adequate as territorial limits, but it is not a sufficient area to guarantee exclusive controls of the stocks of fish to maintain fishing industries in each of the Member States. So we want the Commission to understand, as we have said often enough, that whilst approving this proposal we are not accepting the principles that it reflects but only agreeing to a temporary solution until the major problem has been dealt with, both in the Law of the Sea Conference and through the renegotiation of the Treaty.

*(Applause from certain quarters)*

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Mr President, if ever a debate highlighted illogic it must be this one, because we seem to have come to the point of saying that the quota system does not really work in protecting the stock of fish. We also go on to say that it is illegal anyway. I feel that what we need to do is to find logic in this morass and the logic is, as Mr Prescott said, that the whole arrangement must be looked at again. In other words, I do not think that would be unreasonable, certainly to those of us in the United Kingdom who listened carefully to the pro-marketeters' side of the argument in the referendum debate, when an assurance was given, — perhaps illegally, as far as this House is concerned — time and time again that this matter would be renegotiated.

It also seems to be illogical that we are having this debate on a particular matter of fishing when we know that a wide umbrella is opened to us later in the week when we discuss the Law of the Sea Conference which is concerned with all matters relevant to maritime States.

Can I put on another hat for a minute, instead of my fishing M.P. hat, and say as a lawyer that I find this particular case decision quite surprising. I would not like to think that the relevant rules of Scottish law could extend a decision based on plant life to fish. But this is what has happened. I think even those who wrote document 14/76 must feel a little legally apologetic about the extension that they have made. This

goes beyond any bounds of any rules that I have ever been accustomed to, and apart from my studies as a Scots lawyer, which is a very well respected system of law, I also studied International Law at the Hague Academy for several years.

Can I also say that I suspect here that there is a desire to dazzle with science those of us who represent thousands and thousands of people totally dependent on this industry. There is no question that catch quotas, however they are arranged or policed, can replace the need for national fishing limits for coastal states. We have the phrase already 'coastal state preference'; we have already been told it is to be twelve miles. But there is no question that a twelve-mile coastal preference, regardless of the kind of quota system that may be dreamed up — and document 28/76 talks about a new system on the penultimate page — there is no question that it will be completely ineffective if it is not combined with a sensible coastal state preference. It may be that here we have something better than nothing.

I would like to commend the way Mr Hughes put forward his report. I think he was highly persuasive, I think he was very moderate, but I think also in his speech there was an indication that this can only be a very temporary look at a very large subject. If I can just draw one simple parallel, Mr President, and say to you that in the United Kingdom, if you take the number of fisherman fishing and multiply that number by eight, which is I think the minimum number of related shore jobs, you come to something like a quarter of a million jobs, which is, if I may say this here, about the population of Luxembourg. When you look at it like this I think you then begin to realize the seriousness of what we are talking about. The situation is all the more serious, when you bear in mind that this Community should be concerned with remote populations which are up against it and have no other employment possibilities. It may also be known that all of the UK's fishermen's federations and associations have said words like this: 'As an industry' — and I quote from the Scottish Trawlers Federation, whose views are supported by all of the other industry associations, — 'As an industry we have long since lost faith in the catch quota system as we have no doubt at all it is being abused by our EEC partners as well as other foreign competitors. It is for this reason that we have strongly advocated that the coastal state should be vested with food jurisdiction over a geographical band of a hundred miles. In view of the discussion in Brussels we consider it appropriate that we should reiterate the depth of feeling which is felt within this industry.'

I made a speech on 15 January in which I said that there was enough fish in the sea for us all, if a sensible arrangement were made for us. But unless this Community recognizes that fish is a natural resource

## Ewing

of the United Kingdom, in the same way as wine is a natural resource of France — and we do not hear France offering us a chunk of their wine —, then I think we are really not going to come to an amicable arrangement. Perhaps the Community can cast adrift a million jobs, or many of them, or half of them, and cause the death of many communities.

Finally can I just say that this whole debate raises a very interesting and legal question involving international law. It is often said that there is no such thing as international law. This is a fashionable thing to say but if we say it I think we demean those of us who hope there could be such a thing. It looks as if the EEC, with this Court ruling are putting themselves totally above any such thing as international law, and I would suggest, Mr President, that is a very dangerous path for all mankind, and that we should be very careful and look at it again.

*(Applause)*

**President.** — I call Mr Lardinois.

**Mr Lardinois, member of the Commission.** — *(F)* Mr President, may I begin by thanking the rapporteur for his positive position on our proposal and for himself making a proposal which is adapted to the present situation.

The Commission fully accepts the motion for a resolution and is therefore all the more appreciative of the rapporteur's work. Our proposal has only limited effect. Several Members have stressed this point. Mr Hughes, Mr Scott-Hopkins, Mr Prescott and Mrs Ewing have done so. However, Mrs Ewing raised a problem of much wider significance which we shall certainly have to consider repeatedly in this Parliament in the future. I shall return to it later.

The limited significance of the proposal can be attributed to legal uncertainty in a number of Member States. Perhaps the jurisprudence of other Member States does not present the same difficulties.

Although I do not propose to examine at this time the merits of the London Convention on fisheries in the North-East Atlantic, I would like to say that we cannot allow ourselves to undermine the provisions of that convention by legal uncertainties. The convention may not be the answer to our present problems, but it is certainly better than nothing.

We are waiting for a Community arrangement in which conservation must play a very important part. Conservation cannot be achieved solely through quotas. More must be done, but in my view quotas are an important part of the puzzle we are trying to fit together.

Several speakers, including Mr Kofoed, Mr Nyborg, Mr Scott-Hopkins and Mr Prescott, have taken the opportunity of this report to consider the more general problem of the 200-mile limit. Mrs Ewing also devoted most of her speech to that subject. I do not

wish to enlarge on the question here. The rapporteur and Mr Prescott have rightly stated that we are to return to this subject on Thursday.

I agree with Mr Kofoed that the Commission does not at present have sufficient staff to deal with fisheries policy, having regard to the present development of these problems. I have therefore proposed that the fisheries division should be changed into a directorate for fisheries. In principle that proposal has met with a positive response.

Mrs Ewing and Mr Prescott have touched on the problem of the 12-mile limit.

The Commission considers that its proposals on this matter does not require an amendment of the Treaty or Accession Treaty. However, if we were to go further, a change in those provisions would be essential.

I wish to stress once again that the Commission too considers its proposal to be of only limited importance. But an agreement on catch quotas is necessary at this time. Later this week we shall be returning to the whole issue.

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

The resolution is adopted.

I call Mr Scott-Hopkins on a point of order.

**Mr Scott-Hopkins.** — Mr President, it is now 7.35 p.m. I know social engagements do not matter when we are discussing parliamentary business, but we have Greek colleagues here and there are various functions to welcome them which are going on at this moment, and some of us should be there.

Moreover, we are going to be dealing with proteins, which is an important issue not only in itself but in the way that this House is going to deal with it. May I suggest to you, since I am sure the Commissioner will be here tomorrow morning, that we take this tomorrow morning, when the House will be fuller than it is now, for there is not a hope of getting any more people into the House now. It is quite an important matter of principle that this House should be rejecting completely, and asking the Commission to withdraw, a particular document which they are proposing to us. It has not happened often in my 3½ years here, Sir, and I think it will have much greater force if we have more Members present when this House votes on it. It will give greater force to the House's recommendation and to what the Commissioner himself, I hope, will be proposing to us. Therefore, may I beg that we take this tomorrow morning first thing, Sir?

**President.** — The House decided on tonight's agenda this afternoon, and this cannot be changed. This is also a matter of principle. Tomorrow we have a very heavy day.

I call Mr Hughes.

**Mr Hughes.** — Mr President, far be it from me ever to suggest a compromise, but if the rapporteur were to introduce his report it would then be entirely possible for you to accept an adjournment for the further discussion of this report. We should have listened to the rapporteur's introduction with great interest and then we could, without any compromise of the position taken by the House earlier today, return to it tomorrow morning.

**President.** — Mr Hughes, I have already ruled on that point of order.

19. *Regulation on aids to private storage of protein products*

**President.** — The next item is the report drawn up by Mr Martens, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation setting up a temporary system of aids to private storage of certain protein products (Doc. 35/76).

I call Mr Martens.

**Mr Martens, rapporteur.** — (NL) Mr President, I have no objection to the debate on this item being continued tomorrow morning. However, now that you wish the debate to go ahead, I shall keep my report as short as possible.

Mr Scott-Hopkins has said that proposals from the Commission are rarely rejected. Unfortunately I must now ask for the second time for a Commission proposal to be rejected, but I am doing so on behalf of the Committee on Agriculture. I personally would have approved the proposal. The Commission is proposing a temporary system of support for the private storage of certain protein products. The motion for a resolution of the Committee on Agriculture is very short. The European Parliament requests the Commission to withdraw its proposal.

The position of the Committee on Agriculture is as follows: its first argument against this proposal is linked to the previous history of this problem. The compulsory mixing of two per cent in compound animal feeds is proposed as an accompanying measure. Parliament advised the Commission to apply a different system, namely the guarantee arrangement which is less stringent. The Council opted for the guarantee system which consists in importers or producers of high-protein animal feeds being required to put up a deposit per ton of animal feed. Once they provide proof that they have compounded a certain quantity of milk powder with this feed the guarantee is refunded to them.

An inevitable consequence of the compulsory mixing of 2 % or mixing under a deposit scheme is that the need to import or produce high-protein feeds, e.g. soya meal, will diminish. At present 13 to 14 million

tons of these products are imported into the Community and no levy or customs duty is charged on such imports. These products therefore gain easy access to the Community. The aim of the compounding arrangement is to reduce the need for imports of high-protein feeds or for production in the Community. However, so as not to disturb the trade the Commission proposes to grant aids to those wishing to store these products temporarily; this would inevitably lead to some loosening of the long-term trade contracts already concluded.

Mr Lardinois has supported his proposal in the Committee on Agriculture. I also did my best to obtain support for it but the motion for a resolution was adopted with 12 votes in favour 1 against and 3 abstentions including my own vote. The Commission's proposal was thus rejected.

The 250 000 tons qualifying for aid in voluntary storage represent only 2 % of total imports and production, in other words a negligible quantity. It is also suggested that this guarantee system and also the compounding requirement involve excessively complicated regulations which cost too much money. The measure is said to have merely psychological importance. The intention seems to be to apply indulgent treatment to the exporting third countries and Community producers. These are the reasons why the Committee on Agriculture has asked the European Commission to withdraw its proposal.

I personally wish to put two questions to Mr Lardinois. Was his proposal preceded by discussions with the animal feed producers? And if the guarantee arrangement as proposed is accompanied by a storage premium, is this compatible with the intention of reducing the considerable stocks of skimmed milk powder?

My second question is as follows. I believe that the deposit amount is 270 units of account per ton for soya meal. Some Members have calculated that application of the deposit scheme or compulsory compounding of skimmed milk powder will result in an increase in the price of compound animal feeds. Thus the producers will have to pay more in any case. Others, however, maintain that it might be less expensive to refrain from the guarantee provision and not stipulate compounding. My question to Mr Lardinois is as follows: what do you in fact expect of this system? If its result is that the producers must pay more, will it then really bring the hoped-for results? This is a practical question and I should be most grateful to you for answering it.

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

**Mr Liogier.** — (F) The origin of the proposals before us today can be traced back to the long discussions devoted recently by the Council of Ministers of Agri-



**Liogier**

culture to agricultural prices for the next marketing year.

To supplement these proposals for the compulsory compounding of skimmed milk powder with animal feeds, the Commission has proposed a system of aids for the private storage of certain protein products, discussed in the excellent report by Mr Martens. In the explanatory memorandum the Commission explains that a regulation of this kind is necessary to avoid any slowing down in imports of protein products. The weakness of this argument deserves to be stressed.

Considering that Community imports of protein products amount to some ten million tons each year, it is scarcely possible to claim that the replacement of a mere 400 000 tons by proteins produced in the Community will have serious consequences for the exporting countries. Set against total imports the quantity involved is practically negligible and certainly does not warrant the introduction of a system of aids. It is therefore evident that the decision to present this proposal is essentially political and we have the impression that it is due primarily to pressure from the United States.

Even if the United States is the principal supplier of soya to the EEC, its criticism of Community policy for the disposal of milk powder and the pressure exerted at governmental level, by the United States in GATT or by brandishing the threat of countervailing measures is totally unjustified. American exports will be scarcely affected by this reduction and to the best of my knowledge the United States is not an underdeveloped country and we have no moral obligation to subsidize its exports. The American authorities were very quick to restrict their exports of soya when they were suffering from shortages in this sector only a few years ago. Today, however, those same authorities are protesting vigorously and calling upon the EEC to adopt measures to safeguard their exports.

The American complaints are difficult to understand when viewed in the context of the substantial trade deficit of the Community with the United States. Statistics published only recently by the Commission show that for agricultural products alone the trade deficit in 1974 was 4.2 thousand million dollars in favour of the United States and the figure may be very much higher in 1975.

Under these conditions the reasons put forward by the United States must be treated with caution. In recent years the Community has become the biggest market for American agricultural products but the United States has been extremely critical of our own common agricultural policy. After the well-known episode of the cheese war, a few weeks ago exports of Irish beef to the United States had to be suspended because the American authorities threatened to impose countervailing duties, even though these exports totalled only a few hundred tons per year.

The same American authorities are now threatening to take our milk powder incorporation scheme before GATT. What is more, the accusations made by the Americans do not stop at agricultural policy; the Community is also being accused of dumping cars and steel on the American market. We have also been advised on the way in which we should form our governments. All this leads us to suspect that the Americans wish to undermine the stability of the Community for the greater benefit of their own economy.

Our common agricultural policy was not set up to favour American soya exporters. It is therefore difficult to see why the resources of the common agricultural policy should be used to subsidize American producers, American exporters or European importers of these products. Since the Community, with its large stocks of milk powder, has its own supplies of protein products, it is our duty to use those products rather than importing them from third countries whose prosperity, as it seems to me, is perfectly assured already.

Our group will therefore vote in favour of the resolution contained in the report by Mr Martens, calling for the withdrawal of the Commission's proposal to grant aids for the private storage of certain protein products.

**President.** — I call Mr Scott-Hopkins, to speak on behalf of the European Conservative Group.

**Mr Scott-Hopkins.** — Mr President, I entirely support our rapporteur and compliment him on having come forward with this report now.

I object strongly, as you will realize, that we are debating this at ten to nine — not because of the hour but because of the paucity of Members in this House. I think the hour we wasted — and wasted it was — this afternoon was an absolutely enormous mistake (*Applause from certain quarters*) and nothing came out of it at the end of the day anyhow. Furthermore if I may say so, Sir, this Parliament is sovereign and could perfectly well have decided to adjourn until tomorrow morning if we had wished regardless of your ruling, Sir, but we refrained from doing so in deference to you.

It is in point of fact a very bad proposal from the Commission, and I fail to understand, Sir, why this House is not debating the other part of the skimmed-milk powder saga, the amount of skimmed milk which is going in aid to the developing countries.

We keep having all these things piecemeal: we are dealing on Thursday with another section of the same wretched problem. I really think it would be much more useful if we had dealt with all these skimmed-milk powder proposals from the Commission in one go so that we could get the whole picture in the round.

As for this particular proposal, let's be quite honest what it's all about. We are saying to the United States:

### Scott-Hopkins

'We are terribly sorry, we didn't want to do you any harm. Please, please, United States, don't go to GATT and don't be unpleasant to us there, we didn't really mean any trouble!' That's what we are actually doing by this. No matter how the Commissioner may dress it up by saying that it includes soya which is not grown, and meal and maize which are grown here in the Community. In point of fact — and this has been said by Mr Liogier — we are saying to the United States: 'We will buy your soya and we will store it, we will buy your maize from the Argentine as well but mainly from the United States, we will store it here at our expense privately so that you won't have to suffer any inconvenience.' This seems to me an absolutely lunatic thing to do.

But that is not the only reason why I am so dead against this particular proposal. If it was going to come in on April 1, as Mr Lardinois and the Commission proposed, it is astonishing that it wasn't until Friday — that is, two days ago — that the people concerned throughout the Community and particularly in my country actually knew what the rates of deposit were going to be. They only got them on Friday and they still can't understand them now — and not only in the United Kingdom. So it seems that the Commission itself was not very enthusiastic about this particular measure, and if the Commissioner isn't enthusiastic about it then why doesn't he accept our advice and agree to withdraw it and think of some other means of pacifying the United States and stopping them from being unpleasant to us. For that is really what it is all about. As has been said by our rapporteur — and I am not going to repeat his remarks because I agree with every word he has said about it — there really seems to be no purpose in this particular draft proposal being pursued by the Commission. In conclusion, my only regret is that the House is in point of fact less numerous than we were in the Committee on Agriculture when we rejected the draft proposal, and the vote, when it is taken later on this evening, will be less than it was in the Agricultural Committee. At least we were 15 there. What a shame! Are we a serious Parliament? I thought we were, but now I am beginning to doubt it.

**President.** — I share your disapproval of these late sittings and I shall make a point of raising this question at the next opportunity in the Bureau. I may say that I have a certain personal interest in this because it will not have escaped your attention that I am one of the most junior Vice-Presidents and I find that I often have to take the chair late at night and indeed early in the morning.

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

**Mr Laban** — (NL) Mr President, I wish to make a number of observations on this proposal but I should first like to express my approval of the comments made by Mr Scott-Hopkins.

This is a strange proposal, not only because of the cost: amounting to 7.5 million units of account. That is not much set against the total expenditure, even though it is our duty to look at the small figures as well.

We find it strange for other reasons. This is an arrangement to be financed from public funds providing a certain guarantee to prevent exports of American soya to the Community from being reduced. The amount involved here is 250 000 tons. We find it a rather curious element in our trade policy towards third countries with which we have no special agreements.

When this proposal was discussed in the Committee on Agriculture, the Socialists also felt that Mr Lardinois was giving very ambiguous answers to our questions, in contrast to the frank attitude he normally adopts in this Parliament, an attitude which I greatly appreciate.

During the last discussions Mr Lardinois more or less suggested that our Committee on Agriculture had not studied the documents properly and that it had not recognized that this was a voluntary arrangement which did not relate solely to products from third countries but also to protein products from the Community itself; also this arrangement would enable a stock of protein products to be built up in certain areas.

I do not believe that there would be any difficulty in purchasing soya at the moment if we want to do so. I consider that there is a greater problem in supplying milk powder to the countries where it is needed for compounding to be carried out. I thought that the Council had found a solution to this.

Finally, Mr Lardinois complained that with compulsory compounding of milk powder an arrangement of this kind was not absolutely essential. However, now that a guarantee arrangement is being made — partly at the request of Parliament — a provision of this kind is essential.

The Committee on Agriculture arranged the timetable of its meetings precisely to enable the political aspects of this point to be discussed with Mr Lardinois. After the completely evasive and vague reply by Mr Lardinois which I regret and with which he irritated our committee, it was no longer possible for the members of our committee to engage in further discussion with him because he had other commitments; I do not wish to go into that now, but, on behalf of my group, I wish to say that — in my country and elsewhere — it is normal practice, when a standing committee or parliament asks a secretary of state or minister to explain a matter, for priority to be given to the parliament unless there are very urgent reasons preventing the secretary of state or minister, and Mr Lardinois is in a similar position, from meeting the request.

**Laban**

I would now ask Mr Lardinois to give the answers we wish to hear. My group would like to know whether the American minister concerned asked for a marketing guarantee during his visit earlier this year. We believe that he did not do so. Otherwise Mr Lardinois would not have said that this was not the case in answer to a question by Mr Frehsee when we were dealing with the price proposals. He would not then have said that the American minister accepted the matter with good grace and stated that this was only a temporary arrangement which would not present a problem to the United States. He showed understanding for our milk powder problems.

My question to Mr Lardinois is therefore this; when did the United States raise this question? Can Mr Lardinois confirm that imports of soya beans and cakes into the Community in 1973-74 totalled 11 million tons but that imports of soya products from the United States are still rising?

Is it not laughable now to propose support for the storage of 250 000 tons, from which must be deducted the available European products and soya from Argentina? Is there any point in proposing this arrangement in the face of such enormous imports of American soya while it is clear that the stored soya will be brought onto the market again after eight months?

My group is convinced that the storage regulation will make no impact in face of rising imports of American soya. But the taxpayers will have to foot the bill. I am not even mentioning the cost of milk powder held by the intervention agencies. We cannot consider Mr Lardinois responsible for that problem. The Council is to blame. Nevertheless the costs have to be paid.

I consider that we are right to try all appropriate ways of getting rid of the milk powder mountain. In the past the United States has made it perfectly clear that it will not accept anything from us which does not suit its interests. Are the Americans now satisfied with the storage regulation in the form in which it has been proposed? Has Mr Lardinois drawn the attention of the American minister of agriculture to the fact that in 1973 the United States faced the Community with huge bills when it unilaterally limited exports to the Community? Italy in particular suffered seriously when soya was in short supply?

Can Mr Lardinois confirm the comments by a Commission spokesman reported in the *NRC-Handelsblad* of 19 March 1976 — a reliable newspaper as he well knows — to the effect that 'we genuinely want to soften the blow to the Americans in every possible way.' But the Americans are still threatening to go beyond all reasonable bounds with their new import restrictions on special steel. Mr Liogier has drawn attention to this. There is also talk of restrictions on exports of shoes and I could name other articles. We are told in reply that the Americans

are in an election year which explains why so much noise is being made. President Ford has to try and show his electors that he has American interests at heart. In doing so he is prepared to risk a trade war if need be.

It will probably not come to that, but my group in any case has no need to support President Ford's election campaign through this unacceptable proposal.

Mr Liogier has said that in recent years the surplus in trade relations between the United States and the EEC — not only for agricultural products — has turned round sharply to the disadvantage of the EEC. This is one of the reasons why we are not in favour of this proposed regulation.

One further important point also discussed in the NRC article: can Mr Lardinois confirm that the American envoy to the multinational negotiations in Geneva, Mr Walker, stated that the United States would oppose the new European agricultural prices because the EEC was making a policy favouring the production of good food impossible?

What is Mr Lardinois' own view of this? My group hopes that Mr Lardinois — for whose efforts we have great respect — will manage through his answer to restore the rather shaken confidence of our group. I consider that Mr Lardinois must give a public answer and I imagine that he will approve this view as a former Member of Parliament. One of the few rights of this Parliament is to exercise public control over the Commission, and we can expect the Commission to provide us in every possible way with the information we need to assess a particular proposal.

After the discussion in the Committee on Agriculture and having regard to the opinion of the Committee on Budgets, we cannot approve this proposal regardless of the reply given by Mr Lardinois — for which we should like to thank him in advance. We and other political groups urge Mr Lardinois to withdraw this proposal. It would result in us accepting an international commitment with nothing in return. Our agricultural policy would merely become even more expensive and complicated than it already is.

**President.** — I call Mr Houdet on a procedural motion.

**Mr Houdet.** — (*F*) I apologize, Mr President, for insisting once again, but there are at present only seven of us in the chamber including six members of the Committee on Agriculture.

On behalf of his group, Mr Laban has just put very precise questions to Mr Lardinois who has already attended two meetings of the Committee on Agriculture on his own initiative. He has given explanations to some of us which are not yet complete. If he replies to Mr Laban's questions this evening before the seven Members present here, I have the impres-

**Houdet**

sion that his statements will not have a proper audience.

Mr President, I therefore suggest that we should hear Mr Lardinois tomorrow morning. Although Mr Martens has presented an excellent report there are still questions to put. I take the liberty of insisting, Mr President, and I formally request the postponement of the remainder of this debate until tomorrow.

**President.** — I call Mr Cipolla.

**Mr Cipolla.** — *(I)* Mr President, I insist that the debate should continue tomorrow morning at the opening of the sitting. Despite our parliamentary commitments we have done everything possible to be here this evening but tomorrow evening I must be in Rome again and therefore have to leave Luxembourg at 2 pm. If the debate is postponed until tomorrow morning I can agree, otherwise I must ask for the agenda to be continued and the debate completed this evening. Moreover as each one of us represents a political group, even if there are only seven of us here, all the political groups of Parliament are represented.

**President.** — Mr Cipolla, I can give you an undertaking that we will continue tomorrow morning and that your rights will be completely respected.

I call Mr Lardinois.

**Mr Lardinois, member of the Commission.** — *(NL)* Mr President, if Parliament wishes to continue this debate tomorrow I am at its disposal. I would simply ask you if possible for the other speakers to address the House this evening, leaving me to reply immediately tomorrow morning.

**President.** — I have only two more names on the list of speakers. After that, Mr Lardinois will presumably speak.

The motion before us is that we suspend proceeding now and resume the debate tomorrow morning.

Are there any objections?

That is agreed.

I shall convey to the President and to the Bureau the problems that arise from the way our sittings tend to continue into the evening.

*20. Agenda for next sitting*

**President.** — The next sitting will take place tomorrow, Tuesday, 6 April, at 10.00 a.m. and at 3.00 p.m., with the following agenda:

- Martens report on aids to storage of protein products (resumption)
- Giraud report on problems of EC transit traffic through Austria and Switzerland;
- Gerlach report on the financial provision applying to the European Centre for the Development of Vocational Training and to the European Foundation for the Improvement of Living and Working Conditions;
- joint debate on:
  - the Commission's report on the development of the social situation in the Community in 1975;
  - the Albertsen report on the European Social Budget
  - Nyborg oral question on unemployment.

The sitting is closed.

*(The sitting was closed at 9.10 p.m.)*

## SITTING OF TUESDAY, 6 APRIL 1976

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## IN THE CHAIR : MR BERKHOUWER

*Vice-President*

*(The sitting was opened at 10.00 a.m.)*

**President.** — The sitting is open.

### 1. *Approval of the minutes*

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

Are there any comments ?

The minutes of proceedings are approved.

### 2. *Documents received*

**President.** — I have received from the Commission of the European Communities the Report on the Development of the Social Situation in the Community in 1975 (Doc. 44/76).

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

### 3. *Authorization of a report*

**President.** — At the sitting of 12 January 1976, I informed the House that the Committee on External Economic Relations had been authorized to draw up a report on the outcome of the mission of a delegation from Parliament to the ASEAN countries and on future relations between the EEC and ASEAN and that the Committee on Development and Cooperation had been asked for its opinion.

The Political Affairs Committee has now also been asked for its opinion.

### 4. *Regulation on aids to private storage of protein products (continued)*

**President.** — The next item is a resumption of the debate on the report drawn up by Mr Martens, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council for a regulation setting up a temporary system of aids to private storage of certain protein products (Doc. 35/76).

I call Mr Cipolla to speak on behalf of the Communist and Allies Group.

**Mr Cipolla.** — (I) Mr President, ladies and gentlemen, through this resolution we are dealing, if only marginally, with one of the central aspects of the common agricultural policy. On a proposal from the Commission, the Council of Ministers has decided to use milk powder for animal feed purposes, including milch-cows. This milk powder has been produced for

the most part by converting imported vegetable proteins into animal proteins.

This is one aspect of the colossal *imbroglio* — as Mr Zeller would call it — of the common agricultural policy of a Europe which is short of foreign currency and facing difficulties in importing the raw materials it needs but nevertheless allows itself the luxury of purchasing from the United States and other countries millions of tons of soya which are subsequently converted into unsaleable surplus products with serious consequences on the international market because of the impact which these excessive imports of soya also have on international price-levels.

If we were able to separate and eliminate from our total imports the share of imports of proteins intended for animal feed purposes, the international market for protein products and cereals in general — two markets which, as is well known, are closely linked — would be stabilized in a manner extremely useful to all countries obliged to import these products — this applies both to ourselves and to the countries of the third world. We shall have to consider this aspect at greater length on another occasion, because it is one of the fundamental features of the common agricultural policy.

For the rest, I must say that my task this morning is greatly facilitated by the speeches made yesterday by the eminent Members who preceded me. I fully agree with the comments made yesterday by Mr Liogier, Mr Laban and Mr Scott-Hopkins, especially when they sought to compare the situation as it is today with the attitude adopted by the United States two years ago. At that time the United States took measures without regard to the interests of the importers and, by so doing, sparked off a serious crisis in the cattle-raising sector. I remember that in Italy — where cattle-raising faces chronic difficulties — the rise in the price of soya from 8 000 to 30 000 lira per hundredweight ruined hundreds of thousands of cattle-raisers. It therefore seems to me absurd to worry now about storage of a product like soya which we are purchasing to keep prices high, especially at a time when the United States is adopting a policy of eliminating public storage of cereals to allow the market to find its own level.

I therefore agree with the observations made by my colleagues, and I simply add one further point. An appeal is often made to the great questions and issues of the day — in our bipolar world to anti-Communism or the defence of the United States — to cover material interests which are much more concrete and mean. I understand that this may have been a concern of the United States, but it is a general problem to be dealt with through negotiations on the regulation of the market in cereals and of trade in general. In reality, however, the true beneficiaries of this provision are individuals, import companies and groups in Rotterdam, London and Ravenna which are

## Cipolla

making every effort to lay their hands on the 7 million units of account which we earmarked as an initial appropriation. Experience has taught us that in cases such as this we know how everything begins but not how it ends. Every time we are told that the provision is exceptional and extraordinary and will not be repeated, but it ends by becoming permanent and ordinary and increasing, for appetite comes with eating and we are in the presence of forces which have always shown a particularly hearty appetite.

We are faced here — and the Committee on Budgets has usefully confirmed on this point the negative opinion of the Committee on Agriculture — with an instrument which is difficult from the technical angle too. Who is to check and guarantee that the 250 000 tons of proteins in storage are not in reality the 250 000 tons which these big importers keep in stock for their normal commercial distribution networks? You will answer that there are the controllers! But at this level, Mr President, who is to control the controllers? If the price rises we shall have financed an upward manoeuvre from which the private sector will benefit and not the EAGGF — as in the case of parmesan cheese in Italy.

I should like to quote a proverb from my own home district — I shall not quote it in the Sicilian dialect in order to avoid any difficulty for the interpreters in translating it into the other Community languages — the fishes of the sea are there for those who eat them. In other words, this regulation has been made to measure for a number of Community importers, and when a report is given on developments, the Commission must say who the companies are and how much each of them has obtained.

Having made these points on the substance of the provisions, I must add that I am disappointed that a question such as this should have come to light on a problem in which the United States is also interested. In fact this provision has serious legal, institutional and political implications for relations between the Parliament, Commission and Council of Ministers. The Committee on Budgets has already made one observation which I should like to develop further. We first learned of this storage from Council press releases after discussion of the Commission proposal. The Council took its decision of principle subject — how kind of it! — to Parliament's opinion, which must be obtained even if it is not binding, but — and this is my point — without any prior consideration of the regulation by our institution. This amounts to interference with the balance of power among the Community institutions, in which Parliament has a very limited rôle; that balance exists and is enshrined in the Treaties — the Commission has the power of initiative and proposal, Parliament has the right to examine these proposals and deliver its opinion, while the final decision rests with the Council of Ministers. Here, on the contrary, we are faced with a provision decided by the Council of Ministers, which then formally invited the Commission to work out the

proposal now before us after the Council had taken its decision.

Yesterday we heard President Spénale make a poignant appeal for the development of the powers of the European Parliament and for its election by direct universal suffrage. Today it is not a question of the future development of our powers but of the few powers which Parliament already has but which have been circumvented by this proposal. Disregarding for a moment the political arguments in this matter, on which we are all in agreement, allow me to say that the sole power we have is to deliver our opinion before the Council of Ministers acts. Now if the Council acts before we have spoken, what is the value of our opinion? I should have liked the Commission, which is a unique body in that it is not only the executive authority but must also draw up and propose to the political forces guidelines for the defence and development of the Community institutions, to have spoken out here and withdrawn its proposal, because the opinion of the Committee on Agriculture, in the manner in which it had been given, was already politically sufficient to reveal a determination which the debate has confirmed. And if tomorrow, after we have approved the Martens report — and I put on record the fact that my group will vote in favour — the regulation is enacted as published in the Official Journal of the Communities, we can say that the development of the powers of Parliament and its direct election are, if you will excuse the word, a farce, because the institutions which should promote the development of democracy in Europe are not willing to respect the elementary rights of this Assembly, which, even if it is not elected by universal suffrage, consists of representatives designated by democratic institutions which are themselves elected by universal suffrage.

Mr President, while stating once again that my group will be voting in favour of the Martens report, I would draw the attention of my colleagues to the fact that it might have been more appropriate, to lend greater force to our 'No', to have taken no vote at all, because if we do not express an opinion this regulation cannot be published in the Official Journal. If on the contrary we deliver a negative opinion, we shall see the regulation published tomorrow in the Journal in the form in which it was decided by the Council of Ministers without first consulting Parliament.

*(Applause)*

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, this is a tremendously important report, and if I may say so to the Commissioner, whom I am delighted to see this morning, this is a report which states in very mild but clear terms one of the fundamental difficulties which we have with the common agricultural policy. But why is it that we are debating this morning just one small aspect of the whole problem of skimmed-milk powder?

**Dunwoody**

In its most brutal terms, perhaps I may put it like this. Firstly, the common agricultural policy creates a skimmed-milk mountain. Secondly, because we are not able to deal with that skimmed-milk mountain, we seek means of foisting its disposal not only on the agricultural community, but on the Third World countries by using it as food aid. However, we are assured that the compulsory inclusion in feeding-stuffs will not meet with any objection from the Third World countries, because they have already discussed it with the Commission, because they are aware of the plans and they accept the implications.

Now, all I have to say to the Commissioner is that is extraordinarily difficult to believe. Either what we are discussing this morning, which represents less than two percent, is an amount which cannot be taken seriously in real terms, or it is a political gesture. If it is a political gesture, I must say it is an astonishingly empty one, and one which has caused a great deal of offence in my country. I was told by the farmers in my constituency in the North-West, just this weekend, that the actual cost to the consumer let alone the pig producers and the poultry producers, of the skimmed-milk powder inclusion will be nearer £10 a ton. If this is so, then there can be no doubt that it is a conscious and deliberate attempt to raise the price of food in all the EEC countries. Far worse than that, in my view, is that this whole system — a sort of donation of Green Shield stamps or a means of forcing the pigmeat producers and the poultry producers to help get rid of a mountain that they did not create — is a demonstration of the total lack of foresight that we find when we examine agricultural policy in the Community.

If I may disabuse the gentleman who spoke before me, I would point out to him that in my country these regulations are already said to be in operation. British farmers are already being asked to pay deposits of this kind and yet they did not receive notification of the amounts of money involved until last week. It is plainly a disgrace, and in my Parliament we have not had the opportunity yet to debate these regulations. I must say to the Commissioner that in the past, when we have had the imposition of taxes without proper discussion by the elected representatives, this has led to very considerable political difficulties, not only for the governments concerned but for those who have imposed these totally unwarranted amounts.

What we are talking about today is a policy of such manifest absurdity that there was total agreement in the Committee on Agriculture to reject the proposal. We believed it did nothing to change the structural imbalances in the agricultural community: it caused positive offence to the people who would have to apply it, and it actually worked in the opposite direction as far as our trade partners are concerned. There is no defence for this policy. There is no explanation

for the inadequacy of the thought behind it and if the Commissioner does not withdraw it, and if indeed the farming community are expected to pay these taxes without either this Parliament or the member governments having accepted it, then I think that this is totally unacceptable. It is neither democratic nor intelligent and it is, in fact, a manifest absurdity. I hope the Commissioner will at the very least withdraw this ridiculous policy today.

*(Applause)*

**President.** — I call Mr Lardinois.

**Mr Lardinois, Member of the Commission.** — *(NL)* Mr President, I wish to begin with a word of appreciation to the rapporteur. Mr Martens has clearly found the whole matter rather difficult, just as I have. He has seen the logic of the regulation, but has so far clearly not managed to convince a majority of members in the Committee on Agriculture. I did not succeed in doing so either. To put it mildly, the report does not look favourably on the measures I have proposed, but I particularly appreciate the effort Mr Martens has made to give expression both to his own personal opinion and to the views of the committee in this report.

Mr Martens put a number of pertinent questions. I shall begin by answering them. He asked whether there has been prior discussions with the animal feed industry and whether that industry has laid down conditions relating to this programme for storage.

After the Commission had submitted this proposal, discussions were in fact held early in December with professional associations, including CEFAC, a Community-wide organization representing the mixed fodder industry in the Member States. That organization expressed considerable objections to the original proposal. As you know, the original proposal amounted to a requirement to compound a certain percentage with mixed fodder. These objections were later expressed in the Committee on Agriculture, for instance during our discussions in Berlin. I informed the animal feed industry of these various objections and stated that it might be possible to solve the problem by leaving the industry free to use the milk powder where it felt best and where the added value was the highest, through a deposit scheme. The animal feed industry then stated that it remained opposed to this measure in principle, but that its objections would be considerably lessened if the original proposal were replaced by a deposit scheme. It then raised the possibility of a certain level of storage for vegetable proteins. The animal feed industry noted this and there was no question of its representatives or myself laying down any conditions. A measure of this kind would not be unfavourable to that industry, at least at the management level.



## Lardinois

Mr Martens also asked me what I expected of this system. I expect that the bulk of the 400 000 tons will be compounded with animal feeds before the autumn or at all events disposed of in the form of denatured skimmed-milk powder. If any remains unused at that time, the deposit amount will still be available. The question of the disposal of skimmed-milk powder is first and foremost one of money: next year, or possibly at some other time, this money can be used to ensure the marketing of skimmed-milk powder, but then in a different way.

Mr Liogier referred to American pressure. There was no American pressure whatever aimed at gaining acceptance of the proposal now before you. I shall return to this question, however, when I answer Mr Laban's detailed points. There is also no question whatever of subsidizing American exports. If Parliament so wishes — this is not stated in our proposal but is implicit in the ideas underlying the proposal — we could, for example, include no imported products whatever in the storage scheme, which could be confined to vegetable products of European origin. If Parliament so wishes, that is possible.

It does not matter whether soya, copra or other products are chosen for this purpose. In this way, the objection that importers would derive the main benefit could be countered.

Mr Scott-Hopkins referred to the entry into force of the deposit scheme. That is a different matter from our present proposal. I should also like Mrs Dunwoody to note that point. I repeat that we have held a detailed debate on this matter in Parliament. In its resolution on the subject Parliament reacted positively to the system we have introduced. That was, of course, a reaction of principle. Implementation is a matter for the competent management committees; it does not lend itself to the consideration by Parliament or the Council as such. The matter must be left to the implementing bodies, the management committees, in which there is close consultation between experts from the Commission and the Member States. Some time has elapsed since the introduction of the deposit scheme on 19 March and the regulation on skimmed-milk powder. That was inevitable in this system. Had we not introduced the deposit scheme on 19 March, we should have created a less equitable system. We should still have been able to take the necessary precautionary measures by buying and importing in advance. The whole scheme would then have had to be extended for at least three to four months, which would have been particularly detrimental to smaller importers but not to the major companies.

Mr Scott-Hopkins put several other questions, but I believe they coincide with those put by Mr Laban on behalf of the Socialist Group. I shall now answer them. Firstly, Mr Laban referred to an unsatisfactory process of consultation between the Committee on Agriculture and myself. I am extremely sorry if that impression has been given.

Mr Laban knows, as the whole Parliament knows, that I am always willing to engage in discussion. I am always available and always give priority to such consultation. Of course my schedule is sometimes such that I have to make special arrangements with the committee concerned, i.e. with its chairman, to make the best use of the time I have available. This happened again on this occasion.

But incidents of this kind are liable to occur because of the overloaded agendas on both sides. I wish to stress that this is not only a problem facing members of our Commission; I am sure that many members of Parliament are also overworked. However, to the extent that any blame attaches to me, I offer my apologies to this Parliament.

Mr Laban asked whether the American minister of agriculture wanted a marketing guarantee. My answer is no. He asked whether the United States raised this question at all. The United States did not do so. It was I myself who raised the matter under discussion today during my talks at Camp David in January with the Americans on a whole series of agricultural problems between the Community and the United States.

Mr Laban also asked whether we were purchasing 11 million tons of soya or soya products. We take 10 million tons per year, 8 million of which come from the United States and 2 million from other areas, particularly Brazil. He also asked whether the Americans were satisfied with this storage scheme. The answer is that the Americans are dissatisfied with the whole scheme.

I believe that some American bodies attach great importance to this storage scheme, while others do not. Did we remind the Americans of the events of 1973? Scarcely an opportunity passes in my discussions with politicians from the United States, whether they be ministers or ambassadors at another level, when I do not remind them of what happened in 1973 as a consequence of their external agricultural policy. This was again made perfectly clear in the conversations in Washington at the beginning of January.

According to Mr Laban a spokesman said, and this was reported in the NRC, a Dutch newspaper: 'We wish to soften the blow to the Americans.' I can neither confirm nor deny that this was said. If it was, it seems to me a ridiculous statement. I believe that an agricultural fund is not designed to promote the election of President Ford. The Americans are opposed to price decisions. But the Americans have nothing to say on this point. This is a matter for the Community. Sometimes they are involved and at other times they are not by certain decisions, including decisions in the agricultural sector. This is, of course, the case on both sides. It is not an American monopoly but also happens in the Community.

### Lardinois

I think I have given a correct answer to these questions. What now is the difference between a correct answer and a precise account of the events as they occurred? I shall explain this to you briefly.

As I have already said, about once a year detailed discussions are held in Europe or on the other side of the Atlantic between the American Minister of Agriculture and his experts and myself accompanied by a number of our experts. Current matters are then discussed, the difficulties we are experiencing with each other on the world markets and so on.

These discussions were held early in January and one of the points raised—though not one of the most important was our proposal on compulsory compounding with animal feeds. I stated then quite frankly that in my view compulsory compounding was necessary, but the Americans were not at all pleased with this. They felt they would have to put the matter before GATT, because in their view compulsory compounding conflicted with a particular provision of the GATT agreement. That is not our view and we rejected this idea, although we conceded that this arrangement was not particularly convenient for them in a rather difficult market situation. Of course we spoke about what happened in 1973. The Americans also recognized that this was one of the most unfortunate points in their history as regards their agricultural export policy. They are not trying to hide the fact. Naturally, I also said that the result was a great deal of trouble.

I then stressed that in my view compulsory compounding as stipulated in our proposal at the time was very difficult to control and had some negative aspects. In my view, a deposit scheme would be better. This was absolutely new to the Americans. I said that if the Commission were to alter its proposal, perhaps at the request of Parliament, then it was not impossible that a deposit scheme of this kind would be accompanied by a storage regulation for vegetable proteins, particularly as such a storage scheme had already been called for several times in the Council by the French government; moreover, it was not impossible that a deposit scheme which was a more far-reaching arrangement from the trade policy angle than a purely internal measure relating to compulsory compounding, might be linked by the Commission with a storage scheme.

I reported on my discussions held in mid-January. Parliament considered the matter and the Commission then decided to amend its original proposal and replace compulsory compounding by a system involving a deposit scheme; the deposit scheme was also to be combined with a storage provision. This was a decision by the Commission. For reasons connected with foreign trade it felt that these two aspects must be linked, since an internal measure is one thing but a measure whose influence extends beyond our frontiers is something else. I now expect the Americans to raise

this matter in GATT, possibly in conjunction with the storage provision, but I expect that the discussions will be much harder without a storage scheme than with one.

A number of questions were also put by Mr Cipolla. This storage scheme can be applied solely to Community products if Parliament so wishes. It may be applied only to certain countries, e.g., to countries which have no stocks of skimmed-milk powder, if Parliament so wishes. There is no question of foisting something onto the import trade. Whichever system is applied it will be a tender system open to everyone, and the lowest bidder will be given the order. Of course we can make an exception and stipulate tender differences for individual Member States, depending how our decision is shaped.

May I assure Mr Cipolla that the Council has not yet taken a decision and if Parliament rejects this proposal there is no question of its still being published tomorrow. If Parliament rejects the proposal, I must submit it to the Commission again. Probably it will then be placed on the Commission's agenda for next week and the Council will decide on adoption or withdrawal of the proposal during its May meeting — on 15 May or thereabouts at all events during the May meeting of the Council of Ministers of Agriculture.

Mrs Dunwoody was particularly critical of the compounding system and the deposit scheme as such. I have already stated that this Parliament expressed a favourable opinion and the Council took a final decision on 6 March. There were, of course, problems in bringing the regulation into force and I can assure Parliament that at one time it was practically impossible to go ahead because the monetary situation, in particular during the last few weeks, jeopardized the whole system as it had been planned. In contrast with most other agricultural products which we often discuss, products like these are not covered by the green unit of account, and we have to face fluctuations on the money market which directly influence these products. Therefore, at one moment it was practically impossible to bring the system into force. However, in view of the opinion of Parliament and the Council's decision we succeeded through technical arrangements, but this was an extremely difficult task.

I also believe that we must persist, not because I myself consider this a satisfactory state of affairs on the contrary, I think it a great pity that we have been placed in a situation where measures of this kind are necessary but if there is an unwillingness to adopt the measures proposed several years ago to stipulate joint responsibility of producers in the dairy sector, I believe that the situation can only deteriorate. That is not a reproach directed at this Parliament. On the contrary, when we made this proposal in 1973 a majority of Members of Parliament supported the Commission. However, it was not until a few weeks

**Lardinois**

ago that the Council for the first time adopted a more or less favourable position on this proposal. Now it is too late to drop the programme or modify it. I hope, and the Commission certainly believes, that this scheme should be limited to 400 000 tons and no more, and that this must be a programme to keep surpluses within certain limits so that in the autumn we can move on to a more permanent arrangement enabling the burden of this scheme to be borne in large measure by those who produced the product and not by other categories of farmers as is at present the case.

We are making special allowance for the sectors which have to bear this burden in the first instance. I can assure Parliament again that we shall not be repeating this operation. It is necessary because the body which has to take the ultimate decision, that is to say the Council, failed to take a decision in previous years on the proposals made by the Commission some three years ago now.

Mr President, I should be sorry if this compounding scheme were confused with the storage arrangement in other words, if this storage arrangement were to attract attention which it does not in itself warrant. It is not a special project. I never expected Parliament to have such difficulty with it as we saw yesterday. This is first and foremost a trade-policy problem, because we would have more difficulty from the trade-policy angle with the compounding arrangement than with the storage regulation.

*(Applause)*

**President.** — I call Mr Laban.

**Mr Laban.** — *(NL)* Mr President, I find it satisfactory that we have been holding this debate yesterday and today following the discussions in the Committee on Agriculture. I wish to thank Mr Lardinois for the way in which he answered my questions. I repeatedly stressed in my introductory remarks and elsewhere that we generally appreciate very greatly Mr Lardinois' attitude. If I remember rightly, it was the spokesman of our group who, during the price debate in Parliament, described Mr Lardinois' proposals as generally bold and progressive. It was also our group which voted almost unanimously in favour of the Commission's proposals worked out by Mr Lardinois. I therefore hope that the friction which has occurred will be avoided in future and that agreement will be reached through consultation between our committee and Mr Lardinois so that this problem does not arise again. I am also satisfied that the true facts have now been brought to light. That was not the case at our committee meetings. It is now clear to me that it was in fact Mr Lardinois who took the initiative of proposing the storage arrangement during his initial contacts with the American Minister of Agriculture. We had not realized that up to now.

I hope Mr Lardinois has by now noted that we are not at all enthusiastic. I believe Mrs Dunwoody was quite right. In fact the arrangement is of little use to us and even the United States is quite dissatisfied with it. I hope that Mr Lardinois has now changed his views and that Parliament's opinion will be a support for him in persuading the Commission that it is better to forget this arrangement and withdraw the proposal.

One last remark. Mr Lardinois made the suggestion in passing that the regulation could be converted into a storage arrangement applicable solely to Community products. I do not find this idea altogether satisfactory. This would create problems over the confusion of products and the effects of this arrangement would be so minimal that in our view they would be of little value.

I consider that there is another reason why it would be better to drop this proposal, whose consequences would be very minor. Now that the Council clearly feels at long last that something must be done about the overproduction of milk it is unfortunately so late that I am afraid that before the end of this year we shall be faced again with precisely the same situation. And minor remedies of this kind will be of no help then.

Finally, it is true that Mr Lardinois has repeatedly advised the Council to do something at long last about the surplus. The fact that we are now faced with this miserable situation is not attributable to Parliament or to Mr Lardinois. I think, then, that we must draw a clear distinction. We must be grateful to Mr Lardinois for complying with Parliament's request to convert the compounding requirement into a deposit scheme. If we are critical of the situation which has arisen, as Members of the European Parliament we must have the courage to call our own ministers of agriculture to account in our national parliaments for failing to take action on the decisions which we reached in this House on the Commission's proposals to stem the flood of milk.

*(Applause)*

**President.** — I call Mr Baas.

**Mr Baas.** — *(NL)* Mr President, I shall be very brief. I have the impression that one aspect has been overlooked in this debate namely, this situation on the skimmed-milk powder market. The delivery scheme for skimmed-milk powder is a cornerstone of the entire price policy and guarantee for milk. I have the impression that little attention was given to this aspect this morning and yesterday evening. We may, like Mr Laban, assume that in future producers should be made partly responsible; But this amounts to taking out a credit on the future.

At the moment there is no regulation stipulating producer participation. I find it unjust to continue to

**Baas**

exert such pressure on the market for skimmed-milk powder against the Commission's proposals. Price trends in the skimmed-milk powder sector will be disastrous if we cannot meet the guarantee we have given to our farmers.

I have little sympathy for this proposal. I could have imagined better solutions. But Mr Lardinois is now faced with a situation in which the Council takes no decisions while the commercial policy position obliges him to make certain proposals. When three years ago he sold the butter mountain to Russia, that caused a great scandal but at least the butter mountain disappeared. Afterwards the market recovered a little. Mr Lardinois has now come forward with a proposal which is not particularly happy. I did not hide that view in the Committee on Agriculture. I always said that it would have been better to deal with the situation earlier.

But now there are 400 000 tons hanging over the market. Nobody wants this milk powder and nobody can do anything with it. We can of course make proposals for participation by the producers. I should not have asked to speak had I not been convinced that we in this Parliament are dealing high-handedly with our future solidarity in agricultural policy. It would not take very much for the market to break apart. However unfortunate and disagreeable the Commission's proposal may be to us it may at least help to restore the health of the skimmed-milk powder market.

The Committee on Agriculture opposes this proposal. Before voting we must, however, weigh up the general implications of the agricultural policy situation. We must not simply view the proposal on its own merits but must place it in the context in which it belongs namely, in agricultural policy as a whole.

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

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

I call Mr Scott-Hopkins on a point of order.

**Mr Scott-Hopkins.** — I have waited until after the vote on this particular motion was finished, sir. In his reply, Commissioner Lardinois raised an extremely important point of principle, in my submission; and that is that this House does not have the right to be consulted when the Commission changes its proposals in mid-stream. We are talking about skimmed-milk powder — I apologize to the House for boring them continuously with this — and it is a question of the deposit scheme. The Commissioner said that this House, in the De Koning report, had accepted the principle of the compulsory use of skimmed-milk powder in various animal feeds. That is true, but he then went on to say that the deposit scheme came in later and was purely a question for the management

committees to deal with. I disagree with him in that respect, sir, because he himself said that when he talked about this to the Americans it was a completely new thing. Indeed it is, sir, and I submit that in the opinions given by this House in the past it has made it quite clear that, when consulted the House must have all the essential information at its disposal on all the essential points and all the possible solutions. That we did not have, sir, and therefore — I admit frankly that I am no lawyer — my proposal on this point of order is that our Legal Affairs Committee be consulted as to whether or not what is taking place concerning the skimmed-milk deposit scheme is *ultra vires*. This House should have, and has, the right to be consulted a second time, as this was a new proposal with new implications for this House. I propose that our Legal Affairs Committee be asked to report as a matter of urgency its opinion on this matter.

*(Applause)*

**President.** — We take note of your declaration, Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Mr President, will the House now refer this matter to the Legal Affairs Committee?

**President.** — Mr Scott-Hopkins, the Legal Affairs Committee is dealing with the matter at the moment.

I call Mr Cipolla on a point of order.

**Mr Cipolla.** — *(I)* Following on from what Mr Scott-Hopkins just said, I wish to stress the assurances given by Mr Lardinois on the publication of this regulation in the Official Journal.

In reply to my previous observation, the Commission representative said that this regulation would not be published if Parliament expressed a dissenting opinion. Faced, then, with such a clear vote by Parliament, I would ask you, Mr President, to instruct the parliamentary delegation which will be received today by the Council to emphasize, beyond the particular merits of this question, the gravity of the legal and political situation which would arise if the Council still went ahead and issued this regulation.

I appeal to you to accede to this request.

**President.** — Mr Cipolla, I note what you have said and will see whether your request can be granted.

*5. Community transit traffic  
through Austria and Switzerland*

**President.** — The next item is the report drawn up by Mr Giraud, on behalf of the Committee on Regional Policy and Transport, on problems of EEC transit traffic through Austria and Switzerland (Doc. 500/75).

I call Mr Giraud.

<sup>1</sup> OJ C 100 of 3. 5. 1976.

**Mr Giraud, rapporteur.** — (F) Mr President, the luck of the draw aided somewhat by Mr Spénale's kind attention, enable us to deal with this own-initiative report by the Committee on Regional Policy and Transport on EEC transit traffic through Austria and Switzerland in the presence of eminent parliamentary representatives of one of the countries concerned, the Swiss Confederation, whom I wish to welcome again today.

Despite its serious internal difficulties, our Community is seeking to maintain the closest possible relations with the most powerful economies of the world such as the United States, Japan and Canada. It considers it a matter of honour to establish links with the least-favoured countries, the Lomé Convention being the best example of this. It is now seeking the basis of an agreement with the state-trading countries.

Perhaps it has not given sufficient attention to its closest neighbours. That may be normal in so far as familiarity breeds indifference. But there are two states on our doorstep whom history of long standing in one case and more recent in that of Austria, has led to adopt a statute of neutrality which we all wish to respect, all the more so as they play a unique role in world affairs welcoming all refugees and a large number of public and private international organizations, for which we are most grateful to them.

Nevertheless, they have their own interests and perhaps we have not as yet given sufficient attention to them. To remedy this state of affairs the Committee on Regional Policy and Transport requested and obtained authorization from the Bureau to submit an own-initiative report on this matter, which is of the greatest concern to them and to our Community.

We have been dealing with this problem of transport for many years. The time taken to draft this highly complex text, difficulties in translation and involuntary errors will no doubt lead us to propose a number of detailed corrections to the explanatory statement for which I apologize at this stage.

Switzerland and Austria have very close geographical links with our Community, and nothing serious can be achieved in certain areas without their good will and cooperation. This is a matter of shared interests, because both parties will benefit from closer links.

May I now briefly outline our report to you. These ties between Austria and Switzerland on the one hand and the European Community on the other are all the more binding as the Alpine crossings leave little choice for the routes to be laid down and reduce competition between the various possibilities available. It is therefore vital for us to be able to benefit from the open cooperation of these two countries to resolve our difficulties. We already have good relations in the transport sector through the European Confer-

ence of Transport Ministers, the European Civil Aviation Conference and so on ; but the lack of a common transport policy in our Community creates a certain cumbersome and inefficient procedure in our cooperation with the Swiss Confederation and Austria. Must we then wait until an overall policy has been laid down, as expressed in particular in Mr Mursch's report? Some people think we should, and logic seems to be on their side. Our committee decided to follow my idea of opening contacts at once, ensuring an exchange of information and reporting the wishes of our neighbours to try and bring about faster solutions.

The subjects we chose are very varied. I shall simply list them with a few comments.

For the rail transport sector, where the International Railway Union already functions very successfully, we propose to deal more specifically with the problem of new crossings, and in particular the possible choice of Splügen, the problem of access routes from the plain into the mountains, the problem of financing infrastructures and questions of coordination, if only time-tabling difficulties caused by the several time differences in Europe, fare schedules, quotas, traffic rights, the repeated problem of bottlenecks, in particular at the Italian frontier for technical, customs or political and social reasons. Mr Noë's report, which has already been debated in Parliament, guided our work in this area.

In the case of road transport, similar questions need to be solved with especial attention going to the technical and social aspects, because workers are directly concerned by the adjustments we may make.

The International Inland Waterway Navigation Union is already a useful instrument for domestic transport.

I come now to the much more delicate problem of relations between our Community and the Mannheim Charter of 1868. Through its precision and complexity, this legal and diplomatic text dating from the nineteenth century does not lend itself well to modern traffic conditions. The Central Commission for Navigation of the Rhine has certain powers. We must therefore regulate the procedures for negotiations between our Community and the Rhine Commission. There is some opposition between the views of the EEC Commission, which is following this question, and those of the Rhine Commission. Our only hope as parliamentarians within the limits of our responsibilities is that the interests of both sides can be reconciled on all the points which may lead to conflict between our Community and the Central Commission. Questions such as the distribution of traffic, the supervision of capacity, lay-time, the destruction of obsolete units and infrastructure costs have been in abeyance for years and warrant an early solution.

**Giraud**

The forthcoming opening, to which we all look forward, of the Rhine-Main-Danube link will also raise an essential problem of coordination, in particular with Austria. Austria has long since publicly raised the question of participation by Federal Germany, and hence indirectly by the Community, in the Danube Commission. The problem will be still more important to us when the new link established in this way in the centre of Europe offers possibilities of competition to fleets of vessels from the state-trading countries. That problem must be solved unless we are to face competition which will soon become intolerable; a decision must be taken on freight-sharing and tariffs, since as we well know, prices are fixed on bases and according to criteria which differ from our own in the state-trading countries. We cannot wait for the last section of this canal to be opened before adjusting our points of view and trying to present a common front to our partners.

Less specific but no less negligible for the Community and the two Alpine countries are the routes and construction of oil and gas pipelines, an area in which once again Austria and Switzerland are focal points. Even maritime problems, to say nothing of aviation questions — these maritime problems are dealt with in Mr Seefeld's report — concern Austria and Switzerland to the extent that our Community, through its North-Sea coast, Atlantic seaboard and Mediterranean shores, is a natural outlet for these Alpine countries onto the outside world.

To these concerns must be added the complex questions of coordination between the different modes of transport, a problem which we are already finding difficult to resolve within our Community and their impact on more general questions of regional planning and even on the life of the Alpine populations. These, Mr President, are some of the problems we might well deal with in discussions with our neighbours.

There is a great deal to be done, and our committee hopes that Parliament will enable progress to be made by adopting the text placed before it today. The Commission is to receive from the Council of Ministers a broad negotiating mandate going beyond the policy followed hitherto, which may be described as a policy of small steps; but we must begin somewhere. We hope that the Commission will be able to open overall negotiations with Austria and Switzerland with the confidence which must prevail between neighbours of good will and with the century-long experience of peoples whom nothing divides.

All the criteria seem therefore to be met — and this is also the view of the Socialist Group, which asked me to act as its spokesman — for a wider joint action in the near future through cooperation in the transport sector between our European Community, which must regain its dynamism, and our two neighbours and friends, Austria and the Swiss Confederation.

*(Applause)*

**President.** — I call Mr Noè to speak on behalf of the Christian-Democratic Group and the European Conservative Group.

**Mr Noè.** — *(I)* Mr President on behalf of my group and the European Conservative Group, which endorses our conclusions, I wish to thank Mr Giraud most warmly for his report and for this statement just now, especially as in this report he has managed to deal in an interesting manner not only with the readily understandable geographical description but also with the more complex questions relating to tariffs, quotas, transport capacities and so on, which he has outlined most effectively.

Having said that, I wish to point out that at the initiative of the Lombardy region, in which I live, a cultural congress was held a few years ago in Milan on all the problems of the Alpine regions, and on this occasion transport questions and in particular the Alpine crossings received close attention. The merit of Mr Giraud's report is that he transfers these problems from the cultural to the political sphere, in political quarters they are generally given too little importance even though as we shall see, they have considerable political importance if only in the medium and long term.

In my view, attention must be focussed on two essential points. First there is the fact that to the north of the Alps there is a flourishing river navigation which will assume even greater importance when the Danube is linked to the Rhine in the 1980s. Mr Giraud stressed this point. All navigation on the Rhine — remaining within the geographical limits of our Community, the rest has still to come — is governed by the Mannheim Convention dating from the last century, which liberalized navigation on the Rhine by exempting it from all taxes. At the time given the volume of traffic and the dimensions of vessels, that was an ideal solution. Later, when the population of the riparian states and the volume of traffic increased, civil engineering works were carried out along the Rhine. For example, there is the canal on the left bank which ensures navigation irrespective of water-level fluctuations due to drought and by means of power-stations enables electricity to be generated even in periods of drought; however, this canal has resulted in a lowering of the ground-water level on the right bank of the river, thus creating serious problems for Germany, whose authorities had to intervene to seek appropriate solutions. A number of civil engineering works were then needed which required wider participation in their costs, so that the Mannheim Convention was rendered obsolete.

Today we have the prospect of the politically significant development that in the 1980s the Danube will be linked to the Rhine, which vessels from the state-trading countries will be able to reach easily. We should prepare ourselves for this situation to avoid intolerable competition to the detriment of vessels of

## Noé

our own countries. In practice the problem arises only to the north of the Alps, because in my country river navigation is much less important, even though a futuristic project provides for a Piedmont canal capable of delivering container transport to the northern arm of Lake Como, thus facilitating, through the Splügen railway, trade between northern Europe and Italy. Despite this, the problem of navigation will shortly assume major importance.

The second problem to which I wish to call the attention of this Assembly is that of the Alpine crossings. I am sorry to have to say that between 1973 and today no progress has been made regarding participation by the Community as such and of its individual Member States in the elaboration of a basis of decisions. I am delighted that a Swiss delegation is with us today; its presence in fact will enable us to establish personal links in support of our future cooperation. But I have to recognize that while the work of the administration of the Swiss Confederation has been exemplary, as I shall shortly demonstrate to you, the immobility of the Community and its Member States gives us little grounds for comfort.

How has the Swiss Confederation dealt with this problem? I said it did so in an exemplary manner because it began to consider the situation some fifteen years ago. I refer now to rail links, which are strategically the most important, while highways are at most of tactical importance. The Swiss Confederation has given consideration to five new and different Alpine crossings, all on its own territory. The itineraries are as follows: the Gotthard base tunnel, excavated at an altitude of 500 instead of 1000 metres, enabling the journey to be made from Scandinavia to Sicily on the level practically without heavy gradients; a new Splügen tunnel, again at low altitude; the Tödi-Greiner, a solution with two different tunnels one after the other; the base Lötschberg tunnel emerging at Briga, again at low altitude and without the Kandersteg climb necessary to use the existing tunnel; finally, another tunnel, close to the Gotthard, emerging at Locarno. After examination, priority was given to the Gotthard and Splügen solutions and in the absence of any action by the Community the Swiss authorities have favoured the Gotthard in the last two years.

For my part I am convinced that the most important solution for the Community is the Splügen tunnel, for the simple reason that it cuts by a good 100 kilometres the journey from the Po Valley to the south of Germany, thus shortening traffic routes from all north European countries to Italy.

I passed through Berne a few days ago to obtain the latest information, because I had not looked into this question for three years, and I found a fortunate development. The eastern cantons of the Swiss Confederation have requested, to my mind quite rightly, a still more detailed comparison of the Gotthard and Splügen solutions. The Confederation has entrusted to

leading engineers the detailed examination of these two problems, and before the end of the year the transport department of the Confederation will have in its hands all the information it needs to reach a decision.

At this point I would ask the Commission and governments of the Member States concerned — namely, Italy and Germany — to intervene in the discussion. Above all it seems to me that in Switzerland today there is some awareness of the excessive concentration of traffic which would result from adoption of the Gotthard solution, because on the Gotthard we should have the old railway, the new motorway with the fourteen-kilometre tunnel built only recently and due to open to road traffic in four years, while a third route would be added in the shape of the low-altitude tunnel. Clearly the traffic concentration would be excessive, and it seems that the natural environmentalists in Switzerland are now also raising their voices in opposition.

Apart from these considerations, which are, I think, rather superficial, the fundamental problem arises for the Community of a faster transalpine link, while the Cantons of eastern Switzerland need to establish closer links with European life: there can be no doubt that the Grisons, Coira and indeed the whole of that region would derive enormous benefit from the creation of an international tunnel, as in Italy would the Valtellina, the Bergamasco area and the northern part of Lombardy, which would gain closer links with the neighbouring countries, from which they are cut off because in winter they can be reached only over the Jüllier pass, negotiable by motor vehicles at an altitude of 2 400 metres.

It would be pointless to speak of a regional policy for these areas without giving attention to these strategic provisions which are essential to their development.

Two observations now on the characteristics of these gigantic projects — which are indeed gigantic. The Gotthard base tunnel and the Splügen tunnel would both have a length of 45 kilometres, greater than any existing tunnel; this length could be obtained by two vertical wells dividing them into three sections. At least fifteen years' work would be necessary. A decision is therefore extremely important, because it may be expected that in the next half-century, perhaps even longer, only one of these tunnels will be built. The aspect of the preparation of the Swiss decision which I consider exemplary is that the authorities of the Confederation are proposing to obtain all the relevant information by 1976 and to await 1977 before deciding which tunnel will be built and when.

This is why intervention by the Community and its Member States is urgent.

A further comment, Mr President, on the overall traffic scale which justifies such gigantic projects. Until the economic recession, traffic was continually growing and the Swiss Confederation was rather alarmed by the saturation of the existing routes. That is why attention was turned to the new projects. Today

## Noé

the situation has eased with the recession, at least for the moment, and the rail-transit capacities are as follows : Gotthard tunnel — 12 million tons per year ; Lötschberg — 4 million tons per year, equivalent to a total annual capacity of 16 million tons.

Very wisely, it has also been decided to extend the Lötschberg capacity from the present 4 million to 12 million tons in 8 to 10 years. Gradually, then, traffic through the Swiss Confederation will increase from 16 to 24 million tons. If in that period the economic upturn is such as to require further increases in capacity a decision to build the Gotthard or Splügen base railway may be taken, thus giving an adequate traffic potential over several decades. That is the situation today, but, remember, a decision is to be taken next year. That is why urgent action is necessary on our part.

I would draw your attention to two facts which emerged during my visit to Berne and which we must bear in mind in future. Some five years ago we heard a great deal of talk about high-speed railways, i.e. air-cushion railways or electro-magnetic levitation systems capable of giving speeds of 500 kilometres per hour. A report was then initiated by the Committee on Transport but was not completed. Today the tendency which I have encountered in the interested quarters is to increase the speeds of traditional railways. France has drawn up a project for a Paris-Lyon rail route running at 300 km/h by traditional systems but using a new design which does not require highly-restricted gradients. This railway can operate with fairly steep gradients, thus greatly diminishing the cost of the engineering works, because the line can be adapted to the various types of terrain. If this tendency is confirmed, we should not forget that the passage of the Alps by vehicles travelling at 500 km/h would create tremendous problems. In a normal tunnel it is not possible to run at that speed ; a bigger cross-section would be needed. The Swiss Confederation has not evaded this problem : it has entrusted Professor Grob, of the Zürich Polytechnic, with whom I had occasion to speak two or three years ago, with the task of studying this matter. Today all the dimensional data are available, but there is no doubt that the present tendency to push the speed of normal trains up to 300 km/h and so abandon the extremely costly idea — expensive, too, in terms of running costs : think of the quantities of fuel needed to run trains at that speed ! — of even higher speeds, is more reasonable not only for the Alps but for the entire Community.

Finally, there is the possibility of transporting lorries by train, a method already used in several parts of Europe, which could also simplify certain social problems connected with the number of hours of driving-time. This possibility would remove a substantial number of lorries from the long-distance highways seems advantageous in competition with containers, which have the handicap of requiring long

transfer-times, while this method is extremely rapid ; the lorry arrives and a tractor places it on the train. The tractor and its driver remain where they are, while the entire load can travel from the North of Germany to Sicily for unloading.

These two technical elements emerged from my conversations in Berne and I think that they warrant attention. But the fundamental idea which I wish to bear in on you, ladies and gentlemen, is that 1977 should be the year of the Splügen, the year in which the Community and its Member States undertake to seek a solution to this problem.

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

**Mr De Clercq.** — (*F*) Mr President, ladies and gentlemen, the countries bordering on the European Community are particularly concerned by the provisions adopted by the Community in the transport sector. Six countries — Spain, Yugoslavia, Switzerland, Austria, Czechoslovakia and the German Democratic Republic — have common land frontiers with the Community.

Two countries, Austria and Switzerland, have special geographical situations because they are almost surrounded by the Community. A substantial part of our trade passes through these two countries, just as a large proportion of Swiss and Austrian foreign trade passes through the Community. Special difficulties are created for this traffic by the Alpine barrier. In June 1973 Mr Noé presented a report on this subject to the European Parliament aimed at improving — he mentioned this again today — the infrastructures of trans-European traffic.

These two countries are particularly important to us for another reason ; they are among the riparian states of the principal navigable waterways in Europe, the Rhine and the Danube, which are to be linked during the next decade.

While cooperation already exists in a number of international organizations, closer cooperation must be established between the EEC and these two countries in certain special areas. Bilateral cooperation of this type already exists, but the lack of an overall Community transport policy has limited it to a few sectoral projects.

The drafting and implementation of an overall Community policy must take into account the special geographical position of these two countries. Consideration must be given to the interests of Switzerland and Austria because measures touching on transport may have repercussions on their external trade and on regional development in Alpine areas close to the frontier.

As regards rail transport, problems are created by the bottlenecks on a few lines through Switzerland and Austria. Certain lines must therefore be improved and new Alpine tunnels built, as Mr Noé has already proposed in his report.



**De Clercq**

For long-distance road haulage through Austria and Switzerland, the motorway networks must be linked and new Alpine tunnels built.

As regards inland waterway navigation, the Mannheim Convention governing navigation on the Rhine constitutes an initial form of cooperation. However, some Member States of the Community are not signatories of this Convention, which moreover, concerns only one waterway. Above all, the problems arising for modern water transport such as the charging of infrastructural costs and harmonization of social and fiscal aspects are not dealt with. Moreover, the opening of the Rhine-Main-Danube link in the next ten years will place us in competition with the state-trading countries which have nationalized the navigation companies. This may cause serious distortions of competition. A common attitude must therefore be defined before this link is opened, in agreement with Switzerland and Austria.

The Mannheim Convention must be integrated into a new system of inland waterway navigation enabling difficulties due to the direct confrontation between a market economy and a centrally planned economic system to be overcome. Other areas must also become the subject of cooperation with Switzerland and Austria, in particular air transport over the territory of the Community. Maritime and port policy pursued by the EEC must also take account of the interests of countries situated further inland which have no ports for their foreign trade.

In conclusion, I approve the approach and substance of Mr Giraud's excellent report. The necessary cooperation can be developed when the Community has laid the basis of a common transport policy. But cooperation can only be effective if this common policy takes account of the interests and wishes of neighbouring countries such as Switzerland and Austria.

*(Applause)*

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Mr President, ladies and gentlemen, the debate has not been over-long and the speakers have not been all that numerous. Nevertheless, the three statements we have heard have given an accurate picture of the Community's requirements in its internal communications and above all in its communications with countries like Switzerland and Austria which represent the inevitable transit route for all countries in the European Community, particularly for traffic between its centre and Italy.

I would like to thank Mr Giraud not only for the work he has put into his report — in every respect, incidentally, of the same high quality as the effort he has always applied to transport problems — but also for the contacts with my colleagues and myself that he

kindly requested when preparing this by no means simple report, and finally for the clarity of his explanations and his precise definition of the tasks and implications for the Community in so sensitive a sector.

I would also like to thank Mr Noè, who once again dwelt on the need for infrastructures, a subject dear to him and on whose importance I agree, and Mr De Clercq, who made a number of points on the same topic.

To clear away all doubt, I must at once say that I myself agree on the need for improving on already good relations with Switzerland and Austria. I should also add that the European Community has already — with Switzerland in particular — concluded more than 100 agreements of various kinds, including one on the exchange of information about environmental problems, in which I recently took part in my capacity as representative of the Commission.

With more particular reference to transport, I would like again to draw your attention to the current negotiations on laying up river craft on the Rhine and those on international passenger transport by bus and coach. I only mention two, but agreements on transport matters are now to be counted in their tens.

With Austria we have close relations for co-operation which we hope will continue to develop in quantity and quality. Hence the interest of the European Community in facilitating trade and the conditions through which human exchanges and trade can develop.

The 1973 paper on transport policy, which has already been discussed by the Council, is beginning to be converted into concrete proposals by the Commission on which Parliament is now preparing to take the necessary decisions. In all these approaches we have put the main accent on relations with these two countries, stressing the need for greater intervention by the Community in the field of infrastructures in order to facilitate intercourse between the various parts of the European Community and so that countries outside the Community as well, like Switzerland and Austria, may feel themselves integrated physically and in spirit in sectors where we have common interests.

With regard to transport infrastructures and Mr Noè's hope that 1977 might become the 'year of the Splügen', I would like to say that we are currently looking at the possibility of going beyond the present information procedures in this sector and introducing a Community financing arrangement which would contribute to the economic future of our countries by enabling projects to be carried out which, though necessary, have been deferred because of insufficient funds, and at the same time improve the harmony between the economies of the Community countries and of its neighbours through closer co-operation and easier road and rail transit.

**Scarascia Mugnozza**

After these general promises, I would like to dwell briefly on certain points arising out of the motion for a resolution tabled by the Committee on Regional Policy and Transport. The Commission obviously agrees with the principle of closer links with Switzerland and Austria. As regards the specific actions to be undertaken in the rail and road transport sector, it is our intention to improve our contacts with these countries in order to arrive at a form of co-operation which would be more than just having experts meet together.

As regards Mr Giraud's suggestion that a conference be organized to solve the problems bound up with the Mannheim charter, which, though its value is still unaffected, nevertheless relates to the situation at the end of the last century, I would like to make the point that we first have to establish whether those conditions of incompatibility referred to in certain quarters really exist.

Article 234 of the Treaty lays down a specific procedure for determining whether such incompatibilities exist and then for removing them. Thus, though I by no means reject Mr Giraud's proposal — on the contrary, I find it interesting — I would nevertheless like the experts to find out whether these incompatibilities exist. A decision on whether such a conference should be called can only be taken after proper preparation. I am in fact, in principle, favourable to Mr Giraud's idea, but I cannot accept it *sic et simpliciter*, inasmuch as I would not like misunderstandings to arise out of this debate. Thorough study will therefore be required to see whether it is necessary to have a conference in order to establish the basic terms for our mutual relations.

I would like to wind up what I have to say by renewing my respects to Mr Giraud and confirming to him that it is the Commission's firm intention to ensure that relations with our two friends and neighbours, Switzerland and Austria, become increasingly friendly, close and co-ordinated in the common interest of a Europe that clearly goes beyond the Community boundaries we have set ourselves.

(Applause)

**President.** — Does anyone else wish to speak?

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 5 to the vote.

The preamble and paragraphs 1 to 5 are adopted.

After paragraph 5, I have Amendment No 1, tabled by Mr Noè :

'After paragraph 5 insert the following new paragraph :

"5a. Calls for permanent cooperation to be introduced as soon as possible for the entire Alpine region in respect of the planning of new communication networks and the improvement of existing rail and road systems ;"

I call Mr Noè.

**Mr Noè.** — (I) Mr President, I think this amendment is self-explanatory. It is the logical sequel to what I said earlier and extends the problem to Austria and France as well, which I at first left out for the sake of brevity. It is purely a request for greater participation in preparing projects and making the relative choices.

**President.** — What is the rapporteur's view?

**Mr Giraud, rapporteur.** — (F) Mr President, in view of the complex nature of the problems involved and the fact that once a decision is taken it will be irrevocable, I think that Mr Noè's proposal is wise in that, precisely, it calls for consultation before decisions are taken and thus obviates any recrimination thereafter. I am therefore prepared to accept this amendment.

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

Amendment No 1 is adopted.

I put paragraphs 6 to 12 to the vote.

Paragraphs 6 to 12 are adopted.

I put the whole of the motion for a resolution, thus amended, to the vote.

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

*6. Regulation on financial provisions applying to the European Centre for the Development of Vocational Training*

**President.** — The next item is the report drawn up by Mr Gerlach, on behalf of the Committee on Budgets, on the proposal from the Commission of the European Communities to the Council for a regulation on the financial provisions applying to the European Centre for the Development of Vocational Training and to the European Foundation for the Improvement of Living and Working Conditions (Doc. 18/76).

I call Mr Lange, who is deputizing for the rapporteur.

**Mr Lange, deputy rapporteur.** — (D) Mr President, Ladies and gentlemen, as chairman of the Committee on Budgets I have to take over the rôle of Mr Gerlach, who has been detained by other business in Bonn. This is the fate of chairmen of committees, for report-writing and rapporteur duties are not interchangeable. We cannot just ask some other member to take on the job, and so I must do it myself.

I make this comment because there is often some doubt as to whether there might be possibilities of having other members act as rapporteur. In principle, there are none.

<sup>1</sup> OJ C 100 of 3. 5. 1976.

**Lange**

Here, then, we have a question which, in itself, should not attract all that much attention. Even so it should be noted that, in the basic regulation establishing the European Centre for the Development of Vocational Training and the European Foundation for the Improvement of Living and Working Conditions, some measure of financial independence is given to both institutions unfortunately so, I would add on behalf of the Committee on Budgets and as Mr Gerlach too has said very clearly in his report, since there is a danger that if — given no change in the basic regulations — we approve the proposals submitted by the Commission to the Council and therefore also to Parliament for special budgetary arrangements for these two institutions, we shall be divesting ourselves of certain powers in the area of budgetary law, and budgetary supervision as well, and even in the preparation of the budget.

Through the fact that possibly all of us failed to pay due attention when approving the basic regulation establishing these two organizations, we have now drawn conclusions, as Mr Gerlach has also done very clearly in his report. In it, or more correctly in the draft regulation on the financial provisions applying to the Centre, he has therefore made certain proposals providing a better safeguard for Parliament's budgetary rights than would have been possible in the framework of the Commission's proposals.

Another reason is that Parliament is a part of the budgetary authority — the Council and Parliament together are the budgetary authority, the Commission is not — and it is important to us that these things should not be spirited away into the hands of the Commission, leaving us with no further right of supervision. Hence the amendments we propose to the regulation, which, incidentally, were adopted unanimously by the Committee on Budgets (how could it be otherwise, since the Committee on Budgets is Parliament's watchdog keeping guard over Parliament's budgetary powers) and hence the request in the motion for a resolution that the Commission should take heed of these amendments and the statement that if the Commission does adopt them, then Parliament can unreservedly support its ideas regarding the financial provisions for these two institutions.

I would therefore be grateful, Mr President, if this House too would support the views of the Committee on Budgets as Mr Gerlach has outlined them in his report.

Here I would like to make a comment which is off the point but nevertheless concerns the budget regulation. Indirectly, the Committee on Budgets reached the conclusion that in future all institutions which, for good reason, need to have a certain autonomy and be decentralized as far as the administrative structure of the Community is concerned, should nevertheless be subject, in principle, to the same budgetary régime as is applicable to the Communities' budget and budgetary

policy. Reference here is to an outline budgetary regulation for all such institutions — the details would need to be discussed with the Commission — in which only the special features would need to be covered in each particular case, so that the basic principles for all such autonomous organizations could be laid down on a uniform basis. This, Mr President, would be a first step, or a first approach, in the desired direction.

*(Applause)*

**President.** — I call Mr Hillery.

**Mr Hillery, Vice-President of the Commission.** — Mr President, the Commission would like to thank the Committee on Budgets and its rapporteur, Mr Gerlach, for their report, which shows a thorough grasp of the financial machinery of these two new bodies and will help to improve the Commission's proposal on several points.

The proposal for a regulation on the financial provisions applying to the European Centre for the Development of Vocational Training and to the European Foundation for the Improvement of Living and Working Conditions, is based on the financial provisions contained in the basic regulations governing these two bodies. These provisions, which have been approved by the European Parliament, lay down the broad lines governing the financial operations of the two bodies and the proposal for a regulation submitted to the budgetary authority by the Commission simply develops them in greater detail.

The report from your Committee on Budgets indeed notes: 'The proposed arrangements will bring about decentralization of a kind that can remain functional without hindering the budgetary authority in the performance of its basic duties'. For this reason they take account both of the autonomy of these new bodies, which have legal personality, and of the requirement that financial control be exercised by the budgetary authority. In this respect the amendments proposed by the Committee on Budgets improve upon the Commission's proposals in certain details, by expediting transmission to the budgetary authority of certain information after receipt by the Commission, namely the list of automatic carry-overs, the budgets of the Centre and the Foundation, once adjusted by their Management Board to the subsidy entered in the budget of the Communities at the final stage of the budgetary procedure, that is, since this is a non-compulsory expenditure, with your decisive cooperation.

There are, however, two points on which the Commission cannot agree with the amendments proposed by the Committee on Budgets. The first is the entry of the budgets of the Centre and of the Foundation in the general budget of the Community. The basic regulation of each body provides that their budget statement of estimates be transmitted *with* the preliminary

**Hillery**

draft budget of the Community but not as part of it. Furthermore, according to a statement by the Council, recorded in its minutes, these budgets must be published for information in the Official Journal of the Communities at the same time as the budget of the Community, but not *in* that budget. On this matter the Commission holds to the basic regulations, since, in the last resort, the important point is that the budgetary authorities should be informed of these texts at the same time.

The second point concerns the straightforward transposing into the financial regulations of the Centre and of the Foundation of the provisions of the Financial Regulation applicable to the general budget of the Community in respect of the carrying forward to the following financial year of non-committed appropriations or non-automatic carry-overs. If a carry-over operation of this sort were exceptionally to prove necessary, the Commission remains convinced that the provisions of the general Financial Regulation, which stipulate the approval of the budgetary authority, are not suitable for application to autonomous and small-scale bodies such as the Centre and Foundation. They are too cumbersome for such bodies and would in practice mean excessive delays. The Commission, being the administering body for the appropriations to be used to subsidize them and, in accordance with the basic regulations, both represented on the Management Boards and responsible for the financial control of their operations, therefore proposes to assume the responsibility of approving or of rejecting any exceptional requests for a non-automatic carry-over from the Centre or the Foundation, without prejudice to the subsequent financial control by the budgetary authority on the basis of the accounts of these bodies which are submitted to it annually. This provision on non-automatic carry-overs is the only significant departure from the general Financial Regulation. This departure is nothing out of the ordinary in itself, because by explicitly laying down the financial provisions specific to these bodies, the basic regulations thereby recognize, even if implicitly, that these provisions might well depart from those of the general Financial Regulation.

Apart from these two reservations, Mr President, the Commission agrees with the report of our Committee on Budgets.

*(Applause)*

**President.** — I call Mr Lange.

**Mr Lange, deputy rapporteur.** — *(D)* Mr President, I am sorry to have to ask for the floor again, but Mr Hillery's remarks force me to do so. I ask the Commission most earnestly to study once again the arguments put forward by Parliament and the Committee on Budgets. I have already freely admitted, Mr Hillery, that possibly all of us in this House failed to give proper attention to the budgetary and financial-policy

aspect when adopting the basic regulations, because we were all keen to see these two institutions established. There is no contradiction in that. After confessing our negligence or mistake, we cannot say it is alright for the Commission to invoke the basic regulations and act as though they complied with the general requirements of budgetary truth and budgetary transparency. In my view things cannot be left like that. For this reason, Mr Hillery, I would ask you once again to consider very carefully what Parliament had in mind.

On this point we shall be obstinate; it does not concern these two institutions alone. I have already given the Committee on Budgets my views on this, regarding the financial management of such more or less independent institutions set up by the Community.

We want to know that everything is included in the budget and in the purview of the budgetary authority's budgetary responsibility and not that these things are decided by procedures which, in themselves, are otherwise normal. To that extent, Mr Hillery, I think that Parliament and the Commission could very well agree on the proposals put forward by Mr. Gerlach on behalf of the Committee on Budgets to safeguard Parliament's full supervision of the financial activities of the Community and its ability to bear full responsibility as budgetary authority. I therefore ask the Commission to consider whether it cannot fall in with Parliament's proposals.

**President.** — I call Mr Hillery.

**Mr Hillery, Vice-President of the Commission.** — We should like to examine this problem again, but in the present situation the Commission could not agree to accept the amendments.

**President.** — I put the motion for a resolution to the vote.

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

*7. Development of the social situation in the Community in 1975 — Communication on the European Social Budget — Oral Question with debate: Action to combat employment*

**President.** — The next item is a joint debate on

— the Commission's report on the development of the social situation in the Community in 1975 (Doc. 44/76);

— the report drawn up by Mr Albertsen, 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 European Social Budget (Doc. 38/76);

<sup>1</sup> OJ C 100 of 3. 5. 1976.

## President

— the Oral Question, with debate, put by Mr Nyborg, on behalf of the Group of European Progressive Democrats, to the Commission of the European Communities on Community action to combat unemployment (Doc. 29/76):

What has the Commission done up to now to reduce unemployment within the European Community and what are its plans for combating unemployment in the future?

Has the Commission considered proposing in this connection that Member States' administrative machinery be rationalized?

I call Mr Hillery.

**Mr Hillery, Vice-President of the Commission.** — Mr president, ladies and gentleman, I have the honour to present you the annual report of the Commission on the development of the social situation in 1975. This report describes the main features of social development during 1975 and the various actions taken by the European Community in order to contribute to better working and living conditions within the Community as whole. Up till this year, it has been the custom for the Commission to present its annual statement on the preceding year's social situation on the same occasion as its general report on the activities of the Communities — that is, to the February part-session of Parliament. Because the social report has always been regarded as a working document, bringing together statistics and comprehensive information relating to Community and national social policies as well as social developments within the Community, it was never possible to have it ready for publication simultaneously with the statement to Parliament.

This, therefore, is the first occasion on which you will have the published report before you, as I address you on behalf of the Commission. I am convinced this has already proved itself a worthwhile innovation in that it enables me to concentrate my presentation, and places in your hands basic information which I hope you will find useful in the general debate which is to follow.

The year 1975 was another very difficult year for the Community. The general economic and social situation was characterized by a high rate of unemployment and a level of inflation in nearly all the Member States which although somewhat lower than in 1974, continued to give rise to serious concern. In the course of the year the number of wholly unemployed increased steadily and amounted to some 5.5 million by the end of 1975. This situation was exacerbated further by the serious rise in the number of people working on short time. Inflation, too, remained a major problem and prices were rising at an average of about 12 to 13 %. This was, admittedly, lower than the average rise of 16 % in 1974, but its impact on real living standards, particularly among the less fortunate citizens of the Community, was still deeply felt.

Given these difficulties, in addition to introducing appropriate measures to stimulate their economies, all countries took specific initiatives designed to solve particular problems, such as providing initial employment for young people leaving school and university, or maintaining the income of those who are partially unemployed. Several Member States also made modifications in their immigration policies. Although the difficult economic situation meant that many migrants found themselves obliged to return to their countries of origin, it was encouraging to note that this movement did not assume the proportions that might have been expected.

As I have already indicated, the continuing rise in consumer prices had a detrimental effect on purchasing-power and on the living-standards of certain sections of the population. The existence of indexation systems kept most workers' wages just about in line with increasing prices. There were even some instances where relativities actually improved. The people most hit were those receiving social benefits and the growing number of unemployed. As the recession persisted, the longer-term unemployed often faced the additional possible hardship of finding their unemployment and social assistance benefits reduced.

Inevitably, the economic developments of the past two years posed new challenges for existing relations between the social partners and governments. In some cases, new approaches were tried with government and social partners attempting to come to a common understanding on their approach to economic and social policy. In others, there were problems that made it difficult to carry on normal collective bargaining. Understandably, the trade unions demanded greater protection of employment and various forms of income guarantees during reductions or interruptions of normal productive activity. Employers, for their part, put the emphasis on the need to keep down production costs as a stimulus to investment. This lack of consensus on priorities occasionally brought governments into play as mediators where the conclusion of collective agreements was concerned.

Despite the economic crisis, 1975 saw several new improvements in working conditions. In the legislative field, the initiative to make the 40-hour week a legal limit throughout the Community by the end of 1978 has found a prompt response in several Member States. It was gratifying to note that in 1975 two additional countries adopted the appropriate legal provisions ahead of schedule. The other objective of the Council recommendation of 22 July 1975, that providing for the general application of 4 weeks' holiday with pay, also made progress in 1975. In Belgium and Luxembourg, 4 week's holiday, with pay, became obligatory by either law or regulation.

## Hillery

The decline in economic growth and the increase in unemployment led Member States to pay particular attention to the least well-off sectors of the population, notably by increasing the amounts payable as social assistance, for which the number of recipients grew considerably. In several countries attempts were made to ensure the maintenance of modest incomes by relating the amounts of certain social assistance payments to the development of wages and/or prices. This was particularly true in the case of social security. In some countries, social payments, notably those directed towards the people most affected by rising prices, were the subject of substantial increases. Measures were also taken by many Member States to extend or to improve the economic security of workers becoming unemployed. These interventions took differing forms: wage guarantees in the event of suspension or reduction in work for economic reasons, earlier pension rights for older workers; indefinite payment of unemployment benefits and improved compensation for partial unemployment.

Given increased expenditure in these areas, with exchequer revenue declining as a result of the drop in economic activity, the problem of financial equilibrium made its appearance in many countries. Consequently, Member States found themselves doing their utmost to find a balance between economic restraint on the one hand and social necessity on the other. Often hard choices have had to be made, but the general tendency has been towards helping those people who are most deprived or in the greatest need.

Conscious of the gravity of the employment problem, the Commission for its part increasingly focused its efforts in the social field during 1975 on the need to improve the employment situation. The European Social Fund is one of the practical instruments available to the Commission, and its resources were increased and its range of possible interventions extended. The most important priority group to be assisted through a Community initiative had to be the growing numbers of young people arriving on the employment market with no work opportunities open to them. In June 1975, the Council agreed that financial support from the Social Fund should be made available for specific operations to facilitate the employment and the geographical and vocational mobility of young people under the age of 25 who are unemployed or seeking employment, priority being given to measures benefitting young persons looking for their first job.

At the Council meeting last December, it was decided that the Social Fund interventions in favour of persons employed in the textile industry should not only be prolonged for a further 18 months, but should also be extended to cover workers, in the clothing industry, a sector of economic activity particularly hit by the recession. The Commission had hoped that the

Council would extend the Social Fund even further to help people employed in branches of industry or regions particularly affected by the recession. Although it was disappointing that the Council was unable to reach a consensus on a proposal to this effect, the Commission is trying to keep sight of this important objective in the normal working of the Fund's operations.

The year 1975 did see two important decisions which would not only have an impact on employment, but would also contribute to improvements in the working conditions of a substantial number of workers. Probably the most important social achievement of 1975 was the Council's adoption of the directive on the equality of treatment for men and women workers. This requires that all Member States within a period of 30 months eliminate all discriminations based on sex individual contracts of employment as well as professional codes of conduct and similar statutes. All discriminatory provisions of this kind will have to be eliminated.

The other notable Council decision is that concerning the adoption of an action programme in favour of migrant workers and members of their families. This establishes principles to be followed in order to bring about the progressive elimination of all existing discrimination in living and working conditions affecting migrant workers, especially those from non-Member countries. Some specific measures have already been submitted to the Council, for example those concerning the extension of trade-union rights and the education of children. Others are envisaged during 1976 and include proposals regarding illegal immigration, the setting up of advisory bodies at local level and the availability of social service facilities for migrant workers and their families.

Since questions concerning the labour market continued to be the focal point of interest in 1975, the Standing Committee on Employment, which was reactivated by the conference on future European Social policy in December 1974, met three times during 1975, in February, June and December, to discuss major issues of social policy, mainly in the field of employment. Naturally the work of the Standing Committee concentrated on those proposals in the field of employment which the Commission eventually submitted to the Council of Ministers. The Commission recognizes that this consultative process, involving as it did governments and the social partners, made a positive contribution to the success of its proposals when they came before the Council.

In the search for solutions to the unemployment situation it has become increasingly recognized that social policy measures are only able to offer a partial solution. What is needed is a coordinated effort extending over the whole range of social, economic and financial

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policy. Trade-union representatives first drew attention to this need at the social conference of December 1974. This was taken up and a tripartite conference on the economic and social situation was held on 18 November 1975, at which employers' and workers' organizations discussed current employment problems and possible solutions with ministers for labour, ministers for economic and financial affairs and the Commission. It was agreed that the Commission would examine the views expressed and that a similar conference should take place during this year. This is now likely to be in June 1976.

The Commission's activities in the social field were not restricted to employment problems. It continued to draw up on a wide front various measures as envisaged in the social action programme, all of which in one way or another were designed to contribute to improvements in the working and living conditions of people in the Community and whose importance has been underlined by the recession. The Council has already acted on some of them during 1975, such as the programme of studies and pilot projects to combat poverty, the main object of which is to stimulate action to identify the principal causes of poverty. The measures proposed by the Commission call for 21 pilot projects and two pilot studies in the Member States.

I do not wish to make an exhaustive list of the remaining proposals on which the Parliament will be consulted in the course of this year, but I must mention that some of these proposals will be of major importance, such as those concerning the gradual extension of equality of treatment of men and women workers in the field of social security, the promotion of additional vocational training for young persons and vocational training of women, measures aimed at further protection of workers against individual dismissals, the extension of social protection to persons excluded at present or inadequately covered by existing schemes, a programme on safety and hygiene at work, a long-term programme for the social reintegration of handicapped persons.

Mr President, having put on the record the summary review of the social situation in 1975, my task would normally be complete. However, Parliament has itself taken a new initiative in availing itself of the opportunity provided by this statement, and a number of other agenda — items — particularly Mr Nyborg's question on Community action to combat unemployment — to move immediately into a joint debate on employment in the Community. I feel it may be particularly useful on this occasion to add some brief comments relating the 1975 situation to where we are now and to what seems the best road ahead.

Until recently steady economic progress has been a characteristic feature of our industrialized Western countries. This in turn has facilitated great social progress and improvements in living standards for the

vast majority of Community citizens. Present circumstances, however, indicate that this rate of economic growth may be more erratic in the years ahead and that the structural problems of industry may confront us with a continuing high rate of unemployment.

This situation will be further influenced by the realities of present demographic trends which are likely to bring a much larger number of young people into the employment market, aggravating an already serious employment situation. The employment problem, therefore, is likely to remain a theme of central importance for social policy in the period ahead. The Community's efforts cannot solve problems that are more effectively tackled at a national level. There are a number of ways in which they can and do help in the search for solutions; in this respect there must be a solidarity of intent at Community and national level to confront our respective responsibilities.

The Commission has, since the early days of the recession, been actively engaged in identifying the causes of unemployment and in helping Member States to maintain high levels of employment. In doing so it has used three instruments — consultations and policy coordination, information, and financial intervention.

The departments of the Commission concerned with social, economic and regional matters have initiated and sustained a system of consultations between governments, employers and trade unions which has contributed significantly towards an agreed analysis of the causes of unemployment and of the means to combat it.

The Commission is now drawing on this work in preparing the papers for the next tripartite conference, at which the discussion will focus on means of re-establishing a high level of employment while maintaining stability. The fourth medium-term programme for economic policy, which the Commission hopes to present to the Council in July, is being framed to meet the same objectives. Through the close contact which is maintained with senior employment officials in the Member States, common problems are discussed and ideas and information exchanged.

I am convinced that, but for this close awareness of each other's problems, Member States might have followed policies which would have had adverse effects on their neighbours, thus weakening the Community as a whole. Indeed, the most important contribution of the Community in this connection is that it has been instrumental in protecting its members against an even worse situation, a beggar myneighbour struggle for survival.

In so far as Mr Nyborg's question suggests that the Commission might propose some rationalization of the Member States' administrative machinery, I should like to make clear that the Commission has no competence under the Treaties to act in such a way. In the

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particular area referred to by Mr Nyborg, the Commission is of course aware of the need to increase the efficiency of the machinery, at both the national and Community levels, for the matching of the labour supply and demand. There are at present half a million jobs unfilled in the Community. The three elements of such machinery — vocational guidance, vocational training and placement — continue in a number of the Member States to operate without proper liaison. The Commission has drawn the attention of both government representatives and the social partners to the urgent need for the rationalization of Member States' work in these fields. It is proposed to include a reference to this in the proposed recommendation on the training of young unemployed workers, which is at present being prepared.

At Community level, moreover, the Commission has already introduced SEDOC, the European system of international clearing of vacancies and applications. This system involves the collection and diffusion of information covering both job vacancies, appropriate for Community clearing, and job applications from workers who have expressed themselves ready to accept employment in other Member States. Although experience so far suggests that freedom of movement is increasing the mobility of workers only slowly, this movement is bound to gain momentum. Over the years it will, I am sure, reduce the pockets of unemployment which exist in some areas of the Community at the same time as shortages of labour persist in other areas.

Consultation and action must be based on reliable and up-to-date information. The Commission has been developing its capabilities in this respect. Our monthly employment statistics are widely used throughout the Community. The programme of work in the field of employment' which was approved by the Council in the summer of 1975 includes a research programme which should provide the Community with a much better basis for action than it has had before. Our forecasting capability is being strengthened, and we shall shortly be publishing a discussion paper on the prospects for employment in the Community until 1980.

The Community's financial instruments have been used intensively to counteract the increase in unemployment. Apart from the instruments of agricultural intervention, which, I should emphasize, play a crucial role in that sector, the Social and Regional Funds are the major instruments which we have to hand, and Commissioner Thompson and I, having special responsibility, have been concerned to ensure that the two funds complement each other. While the Regional Fund is specifically designed to support the creation of employment, the importance of the Social Fund's training support lies in the fact that a significant proportion of those who are unemployed do not possess the skills needed to do the jobs that are or may become available.

It should be noted, too, that the European Investment Bank has been asked to give greater weight to the effects of its intervention on employment opportunities in the less-developed regions of the Community.

Mr President, this record of activity by the Community and the Commission must of its nature be solid rather than spectacular. Its significance and importance wins recognition, however, when one speculates on what might have occurred, or on practical alternatives. Increasing appreciation of the degree of solidarity achieved by the Community has also been reinforced by the growing understanding that the present recession has a global dimension. Nevertheless, while it is true to say that when dealing with the employment situation we must take account of its international aspects, there is no proof for the assumption that international solutions must exist because national solutions have not yet been found.

We are in a period of change and adaptation. Our task is to guide our peoples through this most difficult time, seeking equity and justice in whatever social equilibrium we reach. Our goal for the end of the present cycle must be a world in which people, no matter what system may govern them, no matter what their present state of development, can feel that stability has returned and that there has been a more equitable distribution of resources, holding the promise of further social progress.

The Community dialogue between the social partners, the Member States and the Community institutions has shown that there is no magic way to that goal. Nor will it be reached by pressing other people harder and harder. Nor, I think, has the Community found itself frustrated by a lack of instruments or ideas; the Regional Fund, the Social Fund, the European Investment Bank and other mechanisms give us the capacity to dispense effectively whatever resources can be made available. Where ideas are concerned, there is no possible miracle cure that has been overlooked in the search.

In concluding, therefore, may I call again for a full-hearted commitment to what I call the slow miracle. This is a healing process which I believe will emerge from that complex of effort and shared responsibility in which we are already engaged and in which the Commission has greatly appreciated the support of this Parliament. Every debate helps us to move from the widening consensus to deepening commitment. I believe that within the current consensus attention is now focusing as much on the need for actual job creation as on a return to growth. This is an important development in which I would like to see the Community acting as a catalyst and which I hope may find a central place in your debate today.

*(Applause)*

**President.** — I call Mr Albertsen.



**Mr Albertsen, rapporteur.** — (DK) Mr President, I would like at the outset to remove any misunderstanding by stating that the report which I have the honour of submitting on behalf of the Committee on Social Affairs, Employment and Education does not deal with the European Social Budget as such. We are still waiting to receive this. We have, however, examined a communication from the Commission which states the aims and guidelines to be followed when drawing up the European Social Budget.

Here it might be useful to remove yet another misunderstanding. The word 'budget' is used, but in fact the European Social Budget is an attempt at drawing up a survey and forecasts of social expenditure and methods of financing it. At the moment, therefore, only a report on the aims and guidelines is under consideration.

The background to this protracted process of producing a European Social Budget, which had already been decided on some years ago, is to be found in the disagreement, which arose in the Council, on the desirability of publishing the statistical data which the Commission submitted to the Council over a year ago. This information would help to build up an overall picture of past and future trends in social expenditure in the Member States of the Community, which could be used as an instrument in the increasing adjustment of social policy throughout the Community.

The Committee on Social Affairs, Employment and Education regards the present initiative from the Commission as useful in connection with the drafting of a European Social Budget, but wishes to express its regret that the first revised European Social Budget has still not been published and to urge that this should be done as soon as possible. This request has all the more weight since the Social Action Programme states the need for better and more comparable information on both the present and the probable future situation in order to be able to lay down priorities in the field of social protection. Moreover, our committee is anxious to emphasize that if efforts to bring together comparable statistical material on a number of social matters is to have any meaning at all, it must be with a view to harmonizing social conditions in a progressive manner, in accordance with Articles 117 and 118 of the Treaty of Rome.

It stands to reason, however, that the road will be a long one strewn with thorns. In order to concentrate, in the meantime, on geographical areas smaller than the Community as a whole, the committee voted to insert in the motion a paragraph 4 requesting the Commission to examine conditions in regions of the individual Member States in order to establish whether disparities exist in the field of social protection. If the information obtained shows that there are

such disparities, the Commission's 'mini-social budget' will be a valuable instrument in the campaign to have them removed. It must be the duty of national societies to ensure that all users of the social security system under the same conditions should also enjoy the same rights regarding social protection.

Unfortunately, two members of the committee had misgivings about this last point, but I am confident that Parliament itself will be able to give its broad assent to the motion for a resolution.

*(Applause)*

**President.** — The proceedings will now be suspended until 3.00 p.m.

The House will rise.

*(The sitting was suspended at 12.55 p.m. and resumed at 3.05 p.m.)*

IN THE CHAIR : MR BEHRENDT

*Vice-President*

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

I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, Mr Hillery, ladies and gentlemen, unemployment is a scourge from which the whole Community is suffering. Its causes and its effects are blocking to a very large extent the progress and the integration which we all desire for our Community. The half-hearted botched work which the Commission, the Council and ourselves, ladies and gentlemen, have performed up to now is equally unacceptable to employees, industry, trade, agriculture and the fisheries sector.

If we are trying to find solutions, we must first look for the causes of unemployment: we must attack the evil at its root, and not just remove some of the branches. We prefer to soothe our consciences with talk of influences coming from outside, but in fact we are just burying our heads in the sand. If there are influences coming from outside, we must try with all our might to counter them. We can do this only if the willpower exists.

The vicious circle begins with a drop in exports and consequent unemployment in exporting companies. Then the depression spreads. People decrease their consumption in order to put something by in case they themselves are thrown out of work. Employers become more cautious with their investment. Both factors cause further unemployment, and so it goes on. After that, individual Member States begin to gamble with import restrictions, measures to increase home consumption and subsidies to national industries, with the frequent result that a part of their own difficulties are exported to another Member State. This sort of thing has to be avoided because it is not a solution; but it does show that the problems must be tackled at the Community level.

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In my opinion, what we must do is to find a solution which neither increases inflation nor undermines the exchange balance and the balance of payments. We must export ourselves out of our difficulties, and we can only do this by being competitive on the world market. Here our difficulty is not that we are backward in our technology or know-how but that our costs are too high, especially in the wages sector. We must learn to think in a new way.

Let it be made clear here that it is not the workers that must be made to suffer, they do not receive too much: the public sector grabs far too much from the workers' pay-packet. During the fat years, we have allowed the public sector to expand at all levels with administration and double administration, forms and more forms and other abominations which we cannot export — good heavens, not even to the most underdeveloped of countries! A Danish professor has demonstrated that one krone saved in public expenditure is equal to three kroner off taxes. Let us therefore, through the Commission, call upon our governments to rationalize the administrative apparatus and cut back on public expenditure. The savings made by this should then be converted into a reduction of income tax and consequently an improvement in the real wages of workers, so that in one cycle we could do without any increases in wages. In this way, by avoiding a rise in the rate of inflation and without any difficulties with the exchange balance, we could restore our competitiveness on the world market with a consequent upswing in employment, optimism among the investors, and a resurgence of morale among our peoples.

This new way of thinking is the way to a reasonable supply of work and a happy and secure future for the citizens of the European Community.

Ladies and gentlemen, this is the most serious problem of our time. A solution must, and will, be found for unemployment. We are not talking here just about earnings, but primarily about the lack of a meaningful existence and its psychological effects. In particular, unemployment amongst young people presents the danger of a generation emerging with a negative and irresponsible attitude towards society. It is the European Progressive Democrats' hope that every effort will be made to bring unemployment within the Community's boundaries to a stop.

*(Applause)*

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

**Mr Albertsen.** — *(DK)* Mr President, on behalf of the Socialist Group I wish to make a few comments on the report on the social situation in the Community which Mr Hillery has just presented to us. Later, my colleague Mr Glinne will also be speaking on behalf of the Socialist Group.

The remarks I have to make must of necessity be very critical. When one looks back over the development of the social situation in the Community over the past six months, one is really reduced to despair — despair about unemployment, despair about inflation, but in this forum particularly despair about the inertia which has characterized the Community's work in the social sphere. I am limiting myself intentionally to the last six months, since the last social debate in the European Parliament took part in October last year. If one reads through the speeches that were made and the report that was presented on that occasion, well, one's despair becomes, if anything, even greater. None of the things which one could have reasonably expected to be done in a situation with over 5 000 000 unemployed has been done. We pinned a lot of faith in the Tripartite Conference which was held in November. Everyone is agreed that this was a resounding fiasco. Apart from stressing the need for an economic upswing and an active employment policy, nothing emerged from it.

Hopes were then attached to the meeting of the European Council in Rome. Once again expectations were raised, and once again they were disappointed. Nothing more came out of it than a recommendation that close contacts be maintained between the Member States with a view to improving the employment situation.

The meeting of the Council of Ministers of Employment and Social Affairs in December awakened fresh hopes and brought new disappointments. Of course the Council did take certain decisions, but in the circumstances they were quite inadequate and, in fact, an insult to the many unemployed, who could have reasonably expected that decisions would now be taken to reduce the numbers of unemployed. There was plenty of talk about some progress in the social sector, but in consequence of the proposal, which was not adopted, hopes sank to practically nothing. Neither the payment of family benefits to dependants in the countries of origin nor intervention by the Social Fund on Account of the economic recession was approved.

Thus, the close of 1975 saw the most desperate social situation one could imagine. The unemployment figures were higher and the Community's practical measures were at a lower level than ever before. In order to emphasize this fact, one need only recall the struggle which the European Parliament had to undertake in order to increase appropriations in the Social Budget which one would have expected to have first priority in such a hopeless situation on the labour market. All Members of Parliament will remember that the Commission's proposal on this subject was seriously cut back by the Council.

One ought to have anticipated that that winter would be one of the grimmest in the lives of millions of workers.

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Despite this hopeless situation in which our fellow-citizens found themselves, the Commission in its ninth annual report states that 1975 was characterized by steady progress in the field of social policy. In reality, there is nothing very positive in this report for the Commission. It is astonishing how often the words 'surveys', 'statistics', 'seminars', 'consultations', etc., occur in the Commission's text. Of course meetings must be held and conditions must be surveyed and statistical data must be prepared in order to find out whether and what action should be taken, but the present employment situation demands that the Commission should submit completely practical proposals which in the short term can put to right this cancerous tumour which is undermining all the confidence in our society and its ability to cope with its tasks.

The path of suffering has now led us to the latest developments in the field of social policy. The feeling of depression is now so widespread that the smallest chink of light may raise people's hopes of finding work again. The Commission speaks of the beginning of an economic upswing, and emphasizes that, in 1976, priority will be given to combating unemployment. Mr Hillery has told the Irish European Movement that the scourge of unemployment can be eliminated in two ways: a closer relationship must be established between the supply of and demand for labour by improving professional training, together with geographical mobility; new jobs must be created by reducing working hours. A way must also be found of encouraging employers to increase their labour force rather than productivity. The Socialist Group welcomes these ideas, but deeply regrets that they apparently include no practical proposals.

People everywhere are clamouring for Community action in the social field. The European TUC has also made proposals: to give priority to combating unemployment, to create jobs by limiting overtime to facilitate the transition from work to retirement and to increase investments in the public sector with a view to re-establishing confidence in business circles and among the people as a whole.

These views directly conflict with those which have just been expressed by the spokesman for the European Progressive Democrats and which, in my opinion, refer more to public spending in the past than to the present situation. The Socialist Group welcomes and fully supports the ETUC's proposals.

The Commission's activities in 1975 were based on the Social Action Programme. Apart from the fact that the time-limits for these actions were by no means respected, it should be emphasized that this action programme was drawn up on the basis of a situation existing several years ago. Circumstances have changed radically since then, and then Commission should accordingly draw up a new programme as soon

as possible in order to take account of the unfortunate social situation in which the entire Community now finds itself. The Commission's proposal for combating unemployment in 1976 mentions cooperation with national authorities, support for the retraining of migrant workers and the promotion of professional training for women and young workers. This, therefore, is the Commission's answer to the 5 million unemployed who are hoping for work.

Last week's meeting of the European Council produced no answer at all. The Socialist Group, therefore, must maintain its demand that original ways be sought of attacking the problem at the root.

If the European Community is not to lose what remains of people's confidence, it must launch an economic policy of expansion which will set the wheels turning once again. As we have seen here today, the tax burden comes in for strong criticism, but we cannot accept any reduction of social benefits in the present situation. The age of retirement should be brought forward, and shorter working-hours and longer holidays should be introduced. All this will cost society money: even the increase in leisure-time which would result from such measures would cost money, as it involves an extension of all leisure activities.

We must appreciate that unemployment today, particularly when compared with that in the 1930's, is a source of psychological strain. Fortunately, many countries today have improved social systems which include unemployment benefits, and so people are less subject to the fear of not being able to make ends meet than they were forty years ago. Today's great problem is that the unemployed cannot, over a long period, cope with the psychological strain and the feeling of being redundant. A superficially attractive façade is maintained by means of aid and tax reliefs, but society is dissatisfied at heart and time and time again people fall into the pit of despair. Everyone agrees that measures fixing limits are the only means of dealing with this situation. It should be asked whether the existence of the European Community can be justified when it is incapable of taking a single effective decision on the social construction of Europe — that widely celebrated objective.

Finally, we come to a particularly depressing question — that of unemployment among young people. It is a fatal blow for a young man to be out of work when his enthusiasm and zest for life is at its highest point. The Commission must therefore review its Social Action Programme, which expressly mentions measures in the field of training, with the aim of preparing young people for the demands of the labour market and increasing their opportunities to find work.

It might seem tedious for the Community's decision-making organ to be continually confronted with

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outspoken criticism of its employment policy, but the Socialist Group intends to insist at every possible opportunity that the demand for work — a fundamental human right — put forward by millions of people in the Community be satisfied. In a similar debate last October, I said that if the present social structure was incapable of solving the problem under discussion, which is of vital importance for Europe and the European Community, the social structure must be changed. I repeat that comment today: it is a vital test both for the European Community and for the society which we have been constructing up to now.

*(Applause)*

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

**Mr Vandewiele.** — *(NL)* Mr President, it is naturally not easy for me, as spokesman for the Christian-Democratic Group — and I think that all speakers would echo this — to make a detailed statement here and now about the entire complex of social problems in the Community.

But if I just look at the content of this impressive report and sum up the topics that are raised in it, then I see that we have to discuss full employment, vocational training, labour relations, working conditions and labour law, wages, housing, family questions, and so on. It is clear that this comprehensive report could not yet be discussed in our group and that, to our regret, we have also had no opportunity to exchange views on Mr Hillery's interesting statement. For Parliament, therefore, today's debate is, at most, a first exchange of views and the conditions certainly do not allow this to be a fundamental debate on the social situation in 1975.

Last year this report was submitted to us, as previously, with the general report. I would like to make the point that the report by Mr Marras on social problems in 1974 was discussed in September last year and on that occasion the spokesmen for all the political groups asked for an effort to be made to be more efficient in the publication and handling of this extremely interesting report. On behalf of the Christian-Democratic Group I would emphatically urge that the Rapporteur present his report at our June part-session. In this way the Commission can submit the necessary Directives to the Council in good time.

From the report before us it is clear that 1975 was marked to the same extent as 1974 by inflation and by a further increase in unemployment. We would like to have a clearer explanation from the Commission regarding the precise proposals in the report. For example, under Item 14 (page 11 of the Netherlands text) there is, among other things, mention of a number of measures about which I would like to have further details.

In the field of full employment the Commission is to continue studying the data regarding the present economic situation, particularly in the framework of the programme for labour market research. The Commission is to lend its support to the national services, mainly in the field of the retraining and recruitment of migrant workers. In addition, the Commission refers to a number of new actions in prospect regarding living and working conditions. A survey is to be prepared on the existing systems of encouragement of personal asset formation by workers. A start is also to be made with a study on the lowest wages in the Community. Next, the Commission is to investigate ways and means of extending social protection, with particular reference to providing social security for population groups that are not, or are insufficiently, covered. Proposals are to be submitted for the gradual introduction of the principle of equal treatment for men and women in the field of social security.

The conclusions of the report regarding the position of workers with regard to individual dismissals are to be discussed with the representatives of workers and employers, with a view to submitting proposals to the Council.

Next — I am still quoting the report — the Commission is to draw up a long-term programme during the course of the year for the reintegration of handicapped persons.

I have just quoted a few items from this very comprehensive report. From them it is immediately clear that each of the points that I have referred to and underlined with satisfaction is worth a debate in itself. It is clear, in particular, that we shall expect our Committee on Social Affairs to give the required thought to the Commission's various proposals with a view to the framing of very precise directives. I agree with earlier speakers who said that we have plenty of good intentions. It is clear that we are glad to announce well-intentioned actions but the vital thing is to prove that the Community is also in a position to take purposeful action leading to definite results.

On behalf of the Christian-Democratic Group, I also wish to draw especial attention to the unemployment question, particularly in relation to young people and women. In 1975 all the Member States of the Community chalked up the highest unemployment figures that the EEC had ever known. Since the end of 1975 there have been 5 to 6 million workless. The Standing Committee on Employment has repeatedly pointed out that, above all, absolute priority must be given to the problem of employment for young people. I am pleased to note that this priority is also underlined in the Commission's report.

I have just received the most recent figures for some Member States. In West Germany there are 287 000

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people under 25 out of work, 28 % of the workless total. In France the figure is 462 000: The statistics say that this is 45 % of the total unemployed. In Netherlands there are 87 000, or 41 %; in Belgium 104 000, or 39 %; and in the United Kingdom 453 000, or 36 %.

The report says that in Italy it is the young who are worst hit by the collapse of the labour market. Over 75 % of people looking for their first job and 31 % of the unemployed were between the ages of 15 and 21 so that the total of young workless was running at 376 000, including 146 000 girls. About 30 % of these Italian youngsters had secondary-school certificates and 7 % had a university degree; this is 37 % of the group concerned. Conversely, we see from the report that more than 50 % of all unemployed had, in the most favourable case, the benefit of only elementary education. This is an analysis of the phenomenon of unemployment among the young in Italy, but these are not isolated facts.

The report also refers to the Netherlands, a completely different country in its economic structure and in general training techniques. But we again find the same facts. They are very troubling. The authorities believe that unemployment among young people is on the increase in the Netherlands. At the end of November 1975, 67 600 persons under 23 were out of work. The increase in unemployment among the young is partly attributable to the extension of apprenticeship from 3 to 4 years and partly to the introduction of the minimum wage for young people. Unemployment among graduates forms a special case in the sense that it reflects the fact that Netherlands education is not tailored to the requirements of working life. The government has already twice paid out a sum of 20 million guilders to combat unemployment among the young. Special projects have been organized for the young workless aged from 15 to 20. In the Commission's present report we are glad to read that a start is to be made on implementing the decision of the Council regarding the more intensive utilization of the Social Fund for measures to promote full employment among the young.

I am also glad to be able to refer to another country, namely Belgium, where specific measures are being taken. Admittedly these will only solve part of the problems, but they indicate a positive approach that may lead to certain results. In Belgium, since September 1975, the government employment office by the opened a number of special centres for the unemployed under 25. To help the unemployed between the ages of 15 and 25 who have educational certificates, a regulation has been introduced by Royal Decree regarding introductory periods to be spent in firms — on the basis of an employment agreement — the first 6 months being reserved for training. During these periods in the firms a number of new skills have

to be acquired or an earlier study made by the trainee has to be put into effect. The regulation has been in force for one year and the hope in Belgium is that, guided by experience, it may be made a permanent feature.

A striking fact in Belgium is that women form the largest group among the under-25s out of work, although women do not form the larger share of the working population. Unemployment among women is another question to which we cannot be indifferent. I hope that the tripartite conference will also go more thoroughly into this problem. A closer analysis is needed to enable us to take measures to solve this real problem.

Our Group will readily give its full co-operation in the preparation of the new tripartite conference that has been announced. At the first conference, held on 18 November 1975 in Brussels, a number of urgent measures were proposed to combat the present critical situation. One of the earlier speakers said that this conference had been a waste of time and that, in practical terms, it had not produced one single result. I shall not argue with him, neither will I tell him he is wrong, but I would like to be somewhat more reserved in view of the vast coverage of the problem. When we reflect that the most competent trade-union leaders, the most competent employers, the Commission, the responsible employment ministers and so on are anxiously wondering how they are to tackle this enormous problem of 6 million unemployed in 9 Member States, then we should not be too quick to pass a purely negative judgement. With great humility, but also with tenacity we need to consider together in what direction we should look for general and also structural solutions. It certainly is not enough to publish elaborate studies on the labour market situation. In addition to the measures to be taken in each Member State, we look for further developments in the action taken under the European Social Fund. Our Group expects more to be done in the special support measures for the retraining of men and women workers in the textile and clothing industries and in the sectors that are hardest hit, and also the measures for handicapped persons and for unemployed men and women under 25.

We urge that action be intensified and made more selective. The tripartite conference will certainly give the two sides of industry an opportunity to discuss the whole range of unemployment problems with the European Council and with the Commission. Our Group is hoping for a number of measures which, in particular, will effectively combat unemployment among the young.

*(Applause)*

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

**Mr Kruchow.** — (DK) I should first of all like to thank Mr Hillery for attaching such importance to unemployment in the Commission's statement today on the social situation. I feel that Mr Hillery is quite right in describing the Community as a catalyst in the process of solving these problems. I am unable, therefore, to agree with Mr Nyborg's view that the Community should consider a proposal for rationalizing the Member States' administrative machinery. It is up to the Member States themselves to take a position on this question.

As other speakers have said before me, it is appalling that the richest part of the world should find itself incapable of reorganizing its industrial structure to accommodate five-and-a-half million unemployed. We are told that there are half-a-million unfilled jobs in the Community, and this clearly shows that the Community must set about coordinating the means at its disposal in order to end the present somewhat curious situation.

As I have mentioned, the Community cannot, of course, directly intervene in the administrative machinery of the Member States; but it might, as has already been suggested, protect the Member States against further deterioration in the unemployment situation, notably by making use of the various financial instruments available. I quite agree with Mr Hillery that we must remind ourselves continually, if not daily, that the crisis is world-wide and that the Community must work for equality and justice, in a new form of social equilibrium, in all fields.

I also welcome the dialogue established between the trade unions, the employers' organizations and the Community. I hope it will have positive results, for they are desperately needed. We must be given as much information as possible on the discussions between the three partners, which can be acted upon at once by all concerned, thus removing the need for everything to pass through the Community's offices in Brussels or Luxembourg.

As regards the so-called European Social Budget, I agree with the rapporteur, Mr Albertsen, on the many advantages of this type of budget, but am naturally disappointed that the revised budget has not yet been submitted. I received the Danish edition of the report on the social situation in the Community at three o'clock this afternoon and, although I have listened to the views of my colleagues in this House, I have naturally been unable to read or consult the report. I shall therefore give my opinion on various aspects of this document on another occasion. In any case, there is no doubt in my mind that the task of drawing up a European Social Budget is an extremely difficult one as the social systems in our countries, even if they have similar objects, work in very different ways. Notable examples are to be found in tax legislation, housing legislation, family policies and pension systems — which we all favour.

That is also the reason why I have proposed an amendment to paragraph 3 of the motion for a resolution. The draft under consideration expresses the hope that 'the summary ... may prove an important instrument in efforts to harmonize the social systems in a progressive manner'. The expression 'harmonization of social systems' is, in my opinion, much too limited, as a person's standard of living is very largely determined by a series of conditions which do not, at present, have anything to do with social systems.

I therefore feel that in future social budgets we should calculate available revenue. How much pocket-money does a retired person possess when he lives in a home and is likely to remain there for the rest of his life, while the State pays for all the expenditure involved in running this home? What is the disposable income of pensioners living at home and able to pay the household expenses without outside help? Much light needs to be thrown on these matters if our information is not to be distorted. In what conditions do young people receive training? Does the State pay for everything involved in such education or should a fee be paid by the trainee? Does the latter receive a contribution towards his living-expenses, and according to what criteria? If people receive this type of grant during their studies, are parents' incomes taken into consideration, and are they calculated on a basis which gives a true picture of the family's means? I shall refrain from giving any further examples today, but I believe it is important to consider some of these questions, for customs differ considerably even within individual countries as a result of autonomous local government.

I should also like to point out, without going into any detailed discussion, that people in Denmark today are concerned by the Commission's view on social aid to our farmers. As I have said, I do not intend to open a debate on this now. I know that our ministers, who are meeting this week, will be considering this question, and it would be best to postpone any further discussion until we know what conclusions have been reached by the Council.

I believe that my view is backed up by paragraph 9 of the explanatory statement, which concludes that the projected harmonization by the Commission is unlikely to be achieved very soon. I also consider excellent the other idea contained in paragraph 9, which Mr Albertsen, too, mentioned in his speech — namely, that of studying conditions in the regions of the various Member States. I hope that this study will cover individuals' and families' disposable incomes and include, naturally, their own resources and everything which concerns their way of life and means of employment.

As regards Mr Nyborg's question, the subject of unemployment has already been dealt with here today, and it will undoubtedly come up again tomorrow when we hear the statement by the President of the Council. Nevertheless, I cannot conceal my surprise that the

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only way in which Mr Nyborg proposes to change the unemployment situation is by attempting to rationalize the Member States' administrative machineries. I regard it as petty to say that the public authorities grab more than their share of funds: this may sometimes be the case in certain countries, but it is a result of the respective administrations' tasks and objectives.

When we succeed in combating unemployment — and to do this we must employ all the Community's resources — everyone will, I feel, acknowledge that we are living in a society with a mixed economy. Every year successive legislation everywhere points to superimposed controls while still providing scope for free enterprise in all countries. Consequently, when we ask the Community to get down to work and use every means available, we are at the same time asking for the imposition of controls while, of course, leaving scope for free enterprise.

In my opinion, therefore, we should above all reorganize areas of public administration in certain countries, for, in the present situation, States will probably assume an even greater role in order to solve the unemployment problem. In a similar situation in the USA — a country still regarded as the world's most liberal society — during Roosevelt's presidency, a number of public projects were successfully launched after 1933, but the most important task was to revive the economy.

*(Applause from the Liberal and Allies Group)*

**President.** — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

**Mrs Kellett-Bowmann.** — Mr President, it seems to me little short of astounding that this afternoon we should be solemnly debating the guidelines for the second European Social Budget when we have not yet had the good fortune to receive the first European Social Budget!

Now, as long ago as 1970 the Council of Ministers did agree that a Social Budget should be compiled for the Community. And they did so, Mr President, for reasons that were just as valid then as they are today, namely, that accurate comparative statistics are absolutely indispensable if we are to formulate policies for improving the social security systems of the Community. Without such data we are groping in the dark, we are founding our city on sand. We do not know how much is paid to different classes of claimants or under what conditions. We do not know the effect of the varying tax systems on the actual benefits which people take home with them, nor how this compares with the take-home pay of people in full health and employment. We do not know, nor can we even guess, which systems deal best with problems which are common to the whole Community.

I very much regret that the Glinne report on Sir Brandon Rhys Williams' motion cannot be discussed today, because one of the objects of his motion was to call attention to the deficiencies in the statistical data

available on social affairs. At the moment the latest document available to Members for the comparison of social security statistics is dated July 1974 — I have it here — and as far as I know no attempt has been made to give us any information updating it. The Commission has such information extending as far as 15 March 1975, but, alas, it is still largely unpublished. If published, it would reveal some startling differences between benefits in Member States. For example, a man with two children in Belgium would receive eight times as much in family allowances as in the UK, and similar discrepancies exist in all benefits. What is even more serious, the document is unlikely to take into account the effects of taxation on the benefits received, as the previous speaker has just remarked. Perhaps we, in the United Kingdom, are particularly sensitive on this issue because of an apparently minor matter of administrative convenience introduced in 1949 which excluded welfare benefits, with the exception of pensions, from all payment of tax. Now at the time, Mr President, this was of very little importance, since very few low wage earners paid tax in 1949, but now that the tax threshold has been lowered to include even very low wage earners in the tax net, we have the ludicrous situation where a man in employment earning less than the supplementary benefit level will actually be paying tax to finance the benefit of an unemployed person who, because he pays no tax on his benefit, will actually have a higher disposable income than the man in full employment.

These are the sort of statistics which must be available to Members before they can form a balanced judgment on what measures are now required to alleviate poverty and hardship. The Council and Commission must face the fact — indeed I hope they will welcome it — that once Parliament is properly informed by means of the Social Budget, it will most certainly want to bring forward its own proposals for the improvement of social security systems in the Community. Now I do not mean that we should propose a uniform level of benefits payable throughout the Community. Nothing could be further from my wishes or the wishes of my group. As a member of the Committee on Social Affairs, Employment and Education pointed out last week, if German pensions, for example, were to be paid in Italy, they would be well above the normal wage level. Nevertheless, I certainly feel that we should look at ways of eliminating gross disparities, as the rapporteur suggests, and at the possibility of introducing a European minimum level for certain benefits.

Nor must we ignore the fact that a properly coordinated social service policy could and should be a very powerful weapon in the armoury of regional policy — a subject very near to my own heart. If, for example, unemployment benefits were to be raised throughout the Community to, or almost to, the levels prevailing in the most prosperous areas of the Community, this would in itself provide a tremendous boost to the regions most badly affected by unemployment, whilst

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not adding to the inflationary pressures in the more prosperous areas where unemployment is not a problem. This could produce a sort of personalized regional policy. But we cannot close our eyes to the fact that it would further exacerbate the problem of incentive in those parts of the Community, such as the United Kingdom, which have no minimum wage and where social payments are not taxed. If, indeed, benefits were to be raised to a common basic level throughout the Community, it would be essential for them to be taxed on the same basis as earned income, so that no further disparities in net disposable income would be created. My group would welcome the inclusion of low-cost housing in the next Social Budget, because there can be little doubt that low-cost subsidized housing has contributed very substantially to relieving some of the rigidities and structural problems of some of the regions of the Community.

Turning to the question raised by Mr Nyborg, I agree with the questioner that, for the purposes of reducing unemployment, the administrative machinery often does need to be rationalized. In the United Kingdom, as I have already mentioned, we have the phenomenon known as the poverty trap, where it is not worth a man's while to take up low paid employment, since he can gain more by staying on unemployment pay. This is true for a man with four children earning up to about £ 70 a week. The more a low wage earner earns, the more he loses in income tax and social benefits. Nonetheless, and to their great and undying credit, well over 2 000 000 people are working at an actual loss in my country rather than receive social security payments.

In my part of the world we now have 2½ times as many people out of work as we had at the height of the 3-day week. As a previous speaker has said, unemployment rots morale and it destroys personal relationships, but unfortunately women, as Mr Vandewiele pointed out, are always the worst affected, for whereas male unemployment has doubled, female unemployment has trebled. Youth unemployment is also very serious.

But this, Mr President, is not something that can be blamed upon the European Parliament. The EEC has, after much delay, established a Regional Fund which, under present rules, it is the duty of the national parliaments to see disbursed fairly amongst their own different regions, since, alas, all applications must be made through the national parliaments. Now this is something which I feel very strongly should be changed in the not too distant future. I believe that local authorities should be able to put requests for the financing of schemes direct to the Commission and not through their national parliament. The Regional Fund money is supposed to be used in addition to, and not in substitution for, the money which a national parliament would in any event have allocated to solving regional problems. Unfortunately, there are at the present time grave doubts in the United

Kingdom about the way in which these funds are being used, both as regards their geographical distribution and their effectiveness in relieving unemployment. National and EEC funds must be used not just to paper over industrial cracks but to secure a permanent improvement in employment and living standards. I would submit that you do not cure unemployment simply by having two or three men doing the work that can, with modern machinery, be done by one man. All you do is to put off the day when prosperity may once more be restored and the money earned to fulfil all the legitimate social needs of our community. The Community's assistance in the training, for example, of coal and steel and textile workers, has been of great assistance to member countries, and my colleague, Mr Normanton, will deal with this aspect and with the very serious problems of the textile industry.

Now a famous European, Sir Winston Churchill, once said, 'Give us the tools and we will finish the job'. We can say today as a Parliament: give us the tools of proper information and data and we will *begin* the job of providing a better life for all our citizens.

*(Applause)*

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

**Mrs Caretoni Romagnoli.** — *(I)* Mr President, ladies and gentlemen, I too shall begin by what is, unfortunately, the crux of all problems connected with the Community's social policy — I mean the employment problem.

In a phrase that sums up the situation very well, the report on the development of the social situation says that we are at the highest level of unemployment in history. This problem, arising in so difficult a period of the Community's history — the subject of the meeting of the Council of Ministers a few days ago — is certainly fraught with danger. I cannot help stressing that this low level of employment might well cause extremely serious social tension. Nor, incidentally, can we ignore in our discussions the warning and suggestion that came from those most directly concerned — the workers — who all, of one accord, insisted that the cure for the unemployment problem had to be found by analysing its causes and the cure for the economic crisis by tackling, first and foremost, the unemployment problem.

I would like to point to two aspects implicit in the unemployment question. The first, which although already raised needs to be brought up again, is the problem of young people looking for their first job. At home in Italy the problem is very serious as, incidentally, it is in the other countries. There are young school-leavers and graduates to whom we have managed to give an opportunity to study in our countries and who today are deeply frustrated because they cannot find work to match the effort they have put



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into earning their educational laurels. This creates a highly dangerous psychological state of frustration and breeds certain focuses of intense social demoralization which are also highly dangerous.

The other aspect, to which the Member speaking just before me referred, is the problem of unemployment among women. What does it mean, ladies and gentlemen, when women leave the factory, give up their work and go back home? It does not mean that these women simply lose their pay-packet — and in Italy they do not, in some cases, even register as unemployed — it also means that these women will not fight to secure those social services that would later enable them to come back onto the labour market. It means that they will be less inclined to have vocational training and that they will not want it for their daughters either. And as soon as the crisis comes more or less to an end, whatever the forecasts of the economists, who are always wrong in my country — as I think they are in other Community countries as well — we shall find ourselves with a vast potential labourforce of women whom we shall be unable to use at a higher technological level because they have no vocational training and will need to surmount innumerable difficulties if they want to leave home and go out to work, precisely because of the absence of those social services which they themselves today have sadly begun to regard as useless. I therefore feel that this problem does not solely concern just a few categories of workless but has implications for the future development of the Community itself.

A second comment. I do not feel I am being too dramatic if I say that the social balance sheet of the EEC is in the red. I had the honour to serve on the Committee on Social Affairs many years ago when Commissioner Coppé was here. At that time we urged that, with funds available in the Community, money should be spent on social problems. But, more's the pity, in those years we were still going along with the liberalistic fairy-tale that free movement of labour was enough to solve all problems. And, Messianically, it was thought that this construction of Europe, this great *Zollverein* would solve its problems of itself. We, instead, argued for social expenditure and urged that workers and their organizations should be involved in taking the decisions. Unfortunately our voice went unheeded, although, to be truthful, it must be said that some progress was made in those years.

What are the results today when we no longer have certain possibilities? Firstly we have to note a dearth of resources, and secondly a lack of determination. When, at the Tripartite Conference, we see the trade union organization — ETUC — coming forward with specific, well-studied and unified proposals, whilst the Council and the Commission seem to be completely unprepared to face the situation, then we have to say that these are grave failings and serious responsibilities. If we want to get back in credit again, then at the next Tripartite Conference, which is to take place in the late spring, the Council and the Commission will

have to come up with a different position, based on a different relationship with the trade unions and taking the case presented by the latter into account. Incidentally, in this connection, our group has tabled a motion for a resolution prepared by Mrs Goutmann and Mr Marras.

My third and last point, Mr President, concerns the use of the Social Fund. The Social Fund was brought to birth in this Parliament. In substance, its main purpose was to facilitate manpower mobility and it was not conceived as an instrument to be adapted to suit the economic situation. Admittedly the objects of the Social Fund have latterly been revised, but this revision needs to cut deeper. In other words, we need to transform the Social Fund. Up to now it has been used for sectoral actions only too rarely conforming to what at the moment — as everyone has said — is its only possible task — namely, to combat the economic crisis. Why should we not use this fund, however small it may be, to fight unemployment at a time when everyone, Commission, Council and Parliament, all clearly recognize that this is a problem that might well throw everything into utter chaos?

If a slogan were wanted for our social policy we should have to say that it is a policy with an empty pocket but it is also somewhat empty of ideas. And these ideas, gentlemen of the Commission and fellow parliamentarians, we shall have to produce. It will be necessary — and I agree with what Mr Albertsen said — to draw up a programme to follow on the programme ending in 1976. In it we shall not have to confine ourselves to asking for money — this we shall do as well — but we shall have to work out new ideas. There is certainly no sense in continuing to wring our hands, crying that we are on the road to ruin. It will be worthwhile recalling that there are some things that can be done and have not been done. In the meeting of the Council held on 18 December, for example, among the many things in the programme that were rejected and the few that were approved we see that there was one extremely sensitive point for workers today which was not approved — namely, the proposal for a directive on guarantees to workers in the event of firms merging, concentrating or closing down. In my view, the French firm LIP and certainly many Italian manufacturers might well have been covered by that directive.

Mr Albertsen said the thing that terrified him most was inertia. I fully agree with him, and I think that the task we must all set ourselves is to shake ourselves out of this inertia. In truth, the problems are extremely serious.

Admittedly we have to pay for wrong decisions. But it is clear that we must take action to use our modest availabilities and perhaps apply a great deal of thought to shake off our inertia and produce a programme which, at least in prospect, will help us to get out of this very unhappy situation.

*(Applause from the left)*

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

**Mr Glinne.** — (*F*) Mr President, Europe is in a bad way and many of us are saying it ought to be built just when it is breaking up. The political groups readily add, for example, that Europe will be liberal or no Europe at all; or else it must remain conservative if it is to amount to anything; and in the socialist ranks, you occasionally hear it said that Europe will have to be socialist or nothing at all.

Clearly, these are all epigrams, turns of phrase and overstatements. What is left, when exaggeration yields to common sense, is that Europe will have to be social, it will have to be a social democracy living up to advanced, progressive standards if the mass of its populations are to feel themselves affected by what are called efforts favourable to European integration.

In this connection, the Socialist Group is proud of the congress that took place in April 1973 in Bonn and of the major options it defined regarding what we call social Europe. It is now 1976 and in this year of social tragedy the European Community should, one would have thought, be very much aware of the political importance of its social mission. We are thinking of a Europe which ought, on that basis, to be vastly more than what it is sadly tending to become — namely, a free-trade area plus an institutional setting that is sometimes as hollow as it is costly and complicated. Instead, we would like to see taking shape a Europe that would destroy the criticism often levelled at it, that of being too remote from the immediate aspiration of the people.

In 1976, this Europe I am talking about should know that the challenge of the economic and social crisis threatens not only its credibility but also its very existence. The depth of Europe's present confusion can be gauged not only by the hesitation that we shall be discussing again tomorrow in connection with the election of the European Parliament by universal suffrage, but also by the slender resources committed at Community level and over and above what is laid down in the Treaties to combat the effects of the crisis and to use the crisis itself as a means of promoting the changes that are necessary.

The president of a major trade union organization, the DGB, told a trade-union congress last June that the various Member States of the EEC needed to be warned against the temptation to export their own difficulties. This is the other argument underlining the importance of a Community social policy. The point is that this social policy must hold fast to the gains already made.

Mr Hillery has just given us a statement on this subject. He seems happy that, over and above the efforts made by the Commission, not too many contradictions have arisen in the policies followed by the

respective Member States. To me it would seem that the facts are better described by Mr Ortoli's words to the European Parliament on 10 February last:

The economic crisis had different effects in each Member State and although, with vigorous encouragement from the Commission, serious attempts have been made to get economic policies closer in step with each other, the gaps between us are wider now than were when the crisis began.

In the Socialist Group, Mr Hillery, we have the impression that what Mr Ortoli said last February is still true today as regards both social policy and the economic approach to the crisis.

The document on the development of the social situation in the Community in 1975 — which was issued to us rather late since Members received it only this morning — leaves us unsatisfied, as does Mr Hillery's verbal statement.

Statistics are not always as clear as one might wish but on page 41 the document confirms an overwhelming fact for which detailed statistics are unnecessary: only recently, there were about 5½ million workless in the Community. This is the challenge we have to take up and the problem that faces us.

What are we doing to create jobs and to protect earnings when workers, instead of doing an actual job, are marking time?

At the Tripartite Conference held last winter, Mr President, the European Trade Union Confederation proposed a large number of measures aimed at introducing structural changes in our West European society, creating new jobs distributing social benefits and reorganizing working methods themselves for as long as the crisis should last and even beyond. It is unquestionably an important political fact that the European Trade Union Confederation is to hold a congress in London at the end of this very month. It will certainly be assessing the failure to take any action on the complaints it presented at the November Tripartite Conference. A further Tripartite Conference is to take place in June, if I have understood Mr Hillery correctly. For what purpose, may I ask?

I would like to say that, after reading the extracts regarding the Tripartite Conference on employment, on pages 10 and 11 and on page 64, I had the impression that the author's mind had been coloured by an over-optimistic interpretation.

In this connection, allow me to put one specific question. How does the Commission see its preparation of the June 1976 conference, taking into account, as far as possible, the trade-union memorandum presented at the earlier Tripartite Conference? The point is, Mr Commissioner and Mr President, that whilst we do not necessarily have to take the same view as the trade unions, we must recognize that the European Trade Union Confederation is performing an extremely

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important political task in managing to rise above national differences — which also exist in all the political groups in this Parliament — and to suggest that in meeting the challenge of the crisis we can enhance the future of the Community itself.

A few more questions, Mr President, in telegraphic style — since my time is limited. What is the position regarding the joint sectoral commissions that were requested at the Tripartite Conference and have been requested elsewhere over a far longer period? In putting this question I am thinking of the opposition apparently shown by the Union of Industries of the European Community to the trade-union request.

What is the situation about the European trade-union training institute that was also requested? In what light does the Commission see its role in relation to certain conclusions reached at the recent EEC Council of national ministers of education? The Official Journal of 19 February published the resolution of that Council. Some paragraphs relate to the need to improve the links between training and employment possibilities. This raises the whole problem of further education and vocational training. It would be absurd for the Commission — and particularly the Commissioner responsible for social affairs — not to be in direct touch with the concerns which claimed the attention of the national ministers of education.

Lastly, Mr President, I am a little surprised in this report on the situation to see no mention of the Lomé Convention and the plan to bring the social partners — or rather their spokesmen — into the consultative mechanism for which this Convention makes provision. The Community's relations with the world in general and with the ACP countries in particular may well have a highly important impact on the employment problem. I would have hoped that, in a report on employment in the European Community there would be some mention of the consultation of the representatives of the social partners under the umbrella of this major convention between the EEC and the ACP countries.

Finally, Mr President, it has just been said that if the will to build is to produce concrete results then we have to have the tools. It is also said that resources are often lacking to finance social policy. I would like to draw Mr Hillery's attention — on the subject of fiscal harmonization — to the importance of the measures that need to be taken in the spirit of the Community to stamp out tax evasion.

The problem of social equilibrium in the Community cannot be considered separately from taxation policy. We shall be discussing this again when we consider Sir Brandon Rhys Williams' resolution. Social policy is inseparable from a certain conception of justice and fairness in the distribution of income and therefore from the true, objective and honest disclosure of income. To the extent that the European Community

and its Member States continue to allow some extremely questionable tax concessions, we are the cause of a lack of funds for the implementation of social policy. But social policy, Mr President, is really essential and will have to be developed far more than it is at the moment if we do not want the credibility of Europe itself to be dangerously compromised.

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

**Mr Artzinger.** — (D) Mr President, I would like to draw the attention of the House to an aspect that Mr Glinne has already stressed and about which I therefore feel I can be relatively brief.

From the debate so far I have the impression that the focal point of the discussion is the unemployment problem. All the speakers up to now have made a particular point of it. Unquestionably, unemployment is a serious social problem, but just as unquestionably its causes are economic. For this reason, in a debate on unemployment, something must also be said about the economic aspect of the question. On page 1 of the report that we have received and that we are now discussing, we read: 'Whereas unemployment and inflation can be most effectively combated by measures taken in the Member States themselves ...'

I agree that Mr Hillery can no doubt exonerate himself on the grounds that the fight against unemployment is not primarily the Community's business. But I am afraid that this excuse will carry little weight with the people concerned, especially the workless, for the Community has a great share of the responsibility, at least for economic policy. I am therefore glad that, on the eve of the last session of the European Council at the end of last week, a delegation of the European Trade Union Confederation asked the President, Mr Thorn, to use his influence to see that coordinated selective measures for promoting employment were devised in addition to the general stimulants already used at European level.

That such *selective* measures, too, should be initiated by the European Community is certainly right. It occurs to me that the Commission might perhaps think of a number of other things that might help to create jobs, e.g. stepping up investment in the framework of a medium-term programme since the decline in private investment is quite certainly one of the reasons for today's high level of unemployment. I am afraid that we shall not be able to solve the problem without getting private investment under way again on a broad front.

But what — and here I revert to a question by the previous speaker, Mr Glinne — emerged from the European Council last week? Certainly not the hope that we may really expect the coordinated measures requested by the European Trade Union Confederation to materialize. On the contrary. If hitherto we

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already had grounds to complain about the lack of coordination in anticyclical policy, to say nothing of medium-term policy, we now have the impression after the last European Council, that coordination has ceased altogether, that now the only cry is 'every man for himself', and that panic is destroying all Community feeling.

I am sorry to use such hard words. Tomorrow or the day after perhaps, we shall hear something more reassuring, but at all events I could but draw these conclusions from the reports that have reached me. Here I would like to stress one thing very clearly, even though we are debating social policy. I think it would be a fatal mistake for each Member State to try now to save its own skin as best it can, in other words to throw away the Common Market that it has taken 22 years of hard work to construct. There is talk of import restrictions and cash deposits on imports. I am afraid that this would ill serve the unemployed. Rather I believe that governments should see unemployment as an additional challenge to forge further ahead with Europe. The purpose of this debate is not to go further into this subject at the present time. I hope that we shall have time for it during the week. But in this debate as well it needs to be said that success in our fight against unemployment depends upon steadfast adhesion to the European idea and on the progress we make towards greater European integration.

*(Applause)*

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

**Mr Nolan.** — Mr President, when we remember that approximately 5½ million people were unemployed in the Community at the end of 1975, we must realize that the greatest challenge facing the Community and Member States during 1976 and possibly 1977 will be the creation of jobs for these people, and so I welcome, and my group welcomes, The Commission's proposals on this subject. But remember: if the Community is to gain credibility with the man in the street, we must take action and take it immediately. There is a sort of fatalistic assumption that inflation is due entirely to the oil crisis, or to the energy crisis, as it is referred to; but this is entirely wrong: in the last two years there has been an increase in prices of 40%, and the portion of that attributable to the oil crisis was only 2% or 3%; clearly, then, the explanation that the energy crisis was responsible for the inflation that we now have with us and that we can blame inflation for unemployment will not do.

I am happy to note that the Commissioner not only now but also in the past has referred at length to the problem of youth unemployment. This I welcome because we all know that, when unemployment increases, the people to be hit first are the young people who leave our technical schools, our colleges

of technology and our universities. These people have been at school, whether it be university, college or primary school, for approximately 12 to 16 years and maybe longer, and when they hit the labour market after qualifying, they are suddenly faced with nothing but the register at the employment exchange. The net result is that they are paid unemployment benefit after that number of years at school.

Now we all say that the Community should do something about it, that something should be done at national level, but the problem is so serious that any suggestions that we in this House or the employers or the trade unions can make should be actively pursued by the Commission and by national governments as well. One that occurs to me is that we should have some system of voluntary early retirement. People who today are, say, 60 years plus and who are physically not too strong might want to retire provided they could get their retirement pension at that age. By allowing this, you would be taking people who were working away at one end of the line and leaving room at the other end for young people to move into the line of employment. This is only one simple suggestion.

I know that Mr Hillery, speaking recently, mentioned the public sector. Although I had no opportunity of reading his full text, I presume that in the public sector unemployment and all the other evils we have in the social sector are going to be tackled by the Community, because that is its responsibility. But it would be far better in our own countries, where we probably need schools, hospitals, houses, where there is a lot of other work that needs to be done, if capital were made available to provide employment of this kind. In the building sector, as we know, there are all the spin-off industries that would also help.

These are some suggestions that I put to the Commissioner, but I sincerely hope that other matters will be considered by the Commission as well.

There is one warning that we must make in this House, and that is that national governments should not interpret any steps taken by the Community as an indication that all the evils of unemployment and all the evils in the social sector are going to be solved by the Community: the responsibility must first of all rest with the national governments.

*(Applause from the right and from the centre)*

**President.** — I call Mr De Sanctis,

**Mr De Sanctis.** — *(I)* Mr President, ladies and gentlemen, we cannot run away from the fact that in every debate we hold we have to solve a difficulty of what I would define as general policy and of what — under the heading of general policy — used to be called the search for a European identity.

The other day, in a discussion in the Legal Affairs Committee on the vast and fascinating subject of

## De Sanctis

workers' participation in the decision-making processes of their firms, I made some comments along those lines — and I think I was the only one to do so. I would therefore submit for your courteous consideration, Mr Hillery, the fact that this search for a European identity is a problem that comes dramatically to the fore with regard to options in the specific field of social policy.

In that sense I can only define the document that has been presented as purely provisional in nature and significance. Whilst I am not so unconditional in my thinking as to regard the document as a kind of declaration of the Community's bankruptcy in social policy, I must say that, despite a number of realistic features, in the part dealing with prospects and future planning it is perhaps too optimistic with regard to the present situation of the Community and the actions which can and ought to be taken *in concreto*. Nevertheless, a number of guidelines do emerge from the document, one of which in particular has caught my attention even though the document arrived too late for all of us, just at the moment when this debate began.

I wanted to say, Mr Commissioner, that, with regard to participation, this is a problem of choice — it is a problem of general policy options in terms of social policy that we must tackle without any mental reservations. There are still too many concessions in the over-liberalistic conception of the European Economic Community. This problem of participation, too, is not seen in its real terms, which I would summarize as the necessary search — which should and can be made — for a system of authentic and complete cooperation between three fundamental factors: capital, technology and labour.

If we refer to these three fundamental factors and see them as instruments to prevent or eliminate the occurrence of sources of conflict in the social life of the Community, then — reverting to the theme I put to you at the start, the search for Europe's political identity — perhaps we shall be able to guide our efforts and initiatives via the channel of Community social policy and make a real contribution, by following that path (from the roots, I would say), to creating a Europe that will be politically united and above all morally, socially and spiritually efficient.

This subject clearly goes beyond the criticisms that many Members have voiced and with which I can associate myself. It goes beyond certain statements regarding the standstill situation in which the Community may today find itself with regard to certain questions. It goes beyond the limitations that arise out of the fact that in the general allocation of the Community budget the resources made available for the Community's social policy have been reduced, wrongly and ill-advisedly, because the urgency of certain problems, and the utility of and vital need for, certain options and certain prospects have been forgotten.

Against the background of these general thoughts, on which, unfortunately, I cannot linger, I would like to draw Parliament's attention to a number of more specific problems. I spoke of the basic problem of participation: it is a subject which not only prompts suggestions but also created legal problems, raises general and specific political and social questions and may prove to be the litmus paper on which all of our respective opinions may and should be tested and compared.

Then there is the unemployment problem. I would put it to the Commission that — as regards what has not been done in the past (and is still not done today) and what ought to be done now — we cannot, in the context of the harmonization of certain national policies or certain Community directives, be content — and other Members have already stressed this point — to leave certain matters, in particular those relating to this distressing and critical problem of unemployment, to the initiative of the Member States.

This is why I feel that the Community should be more alive to certain problems and give, if not outright directives, at least advice and valuable leads to the individual Member States.

For example, there are — and other Members have stressed this already — too many young people waiting for their first job, and the problem of the intellectual workless is highly important and distressing. At Community level, therefore, we should act quickly to make recognition of educational qualifications a fact and to bring back, through a greater sense of responsibility on the part of educational institutions in the individual Member States, those characteristics of seriousness and selectivity of which Europe and the individual Member States undoubtedly stand in need at the present time.

In this connection, I would like to refer to the critical and difficult situation through which the country that I and many other Members of this Parliament have the honour and privilege to represent is now passing.

With regard to the measures that need to be encouraged, the Commission should bear in mind, for Italy as for other countries, the fact that now when there is a shortage of jobs and young people do not know where to go for work, when chronic unemployment and short-time working, with the 'cassa di integrazione guadagni' (short-time working compensation fund), as we call it, are rife, and when all these aspects of unemployment have taken on mammoth proportions because of the effects of the economic crisis, we are at the same time faced with the phenomenon of too many people doing a second job in addition to their main one. This is clearly an evil that needs to be tackled realistically and stamped out. Hence the need for the Community to ask the national governments to take action and to introduce the necessary measures.

### De Sanctis

For a problem of this type we need to look into all its internal and external ramifications. There is the subject of migration, within the Community and also outside it — that is, the emigration of workers from Community to non-Community countries; there are major legal, social and moral problems. Some of them, it is true, have been accorded attention, either in summary recapitulations or in some programme for future action, which, however, is still very fluid in my view and above all very small in scale in the document submitted to us.

If we go forward in this spirit we shall not be affected by that kind of discouragement bred by today's general political situation in the Community — dense with cloud and necessarily meriting our criticism.

Even relations between this Parliament and the senior Community organs (and yesterday all of us together gave our Office of the President a mandate to make the necessary approaches) show signs of continuing crisis, which it will be essential to overcome if we are to prevent reversals at Community level which will bring to nought all the practical achievements of our predecessors over so many years.

I would like at this point to voice a hope (perhaps I shall be one of the last to speak in this general debate): it is that what I have said may make an effective contribution, however small, to the realization of those prospects which are Europe's right and due.

*(Applause from some quarters)*

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

**Mr Normanton.** — Mr President, I hope the House will allow me just one or two moments to declare within the compass of this particular debate one of my long standing political beliefs. There have been, as I see it, two extremely important and probably all powerful scourges of mankind throughout the length of our recorded history. The one is unemployment, which destroys the soul, and the other is war, which destroys the body. Today, in this debate, I want to contribute just a few thoughts on the subject of unemployment and some of its causes in the Western world and make one or two suggestions for the cure or relief of unemployment.

In our industrialized Western Europe, unemployment, as I see it, takes on four general but separate identities: we have seasonal, cyclical, structural and technological unemployment. In an industrialized society, these are manifest in all sectors of our economy. But the comments which I want to make relate particularly to the last two, namely the structural and the technological, because these are the very problems which are with us and continue to be with us in a European economy in times of good trade and of bad, in times of boom and in times of depression. They arise basically from the inability of management and of those being managed to adjust to the process of

industrial and economic change. The more we resist change in this connection, the greater the impact upon this type of unemployment. The issue on which governments, and I believe above all the European Economic Community and this House, have to decide, is the way in which economic policies are drawn up and the way that they are implemented to achieve change for the betterment of the Community and its peoples.

Let me just take, for example, the textile industries of Europe. They are, and have been for a long time, the second or third largest manufacturing sector of our economy. They have also for some 20 or 30 years been exposed, more than any other single important industry, to very great pressures of change. The flooding into our markets of textiles, including clothing — sometimes subsidized, sometimes a product of sweated labour, and sometimes the product of very dubious commercial practices — has literally decimated whole areas, whole communities and indeed whole sectors of this gigantic industry.

It was and is, I believe, the responsibility of governments to regulate the process of change and the pace of change — not to oppose it. With regard to the textile industry the responsibility of a government is, and I believe should continue to be, a matter of regulating the rate at which the change takes place, regulating the rate at which imported products can have an impact upon the market of Europe. Industry, I believe, must be given reasonable time to adjust to the process of long-term change. It must be given a degree of protection — though I am not in favour of protection as an economic principle — against short-term cyclical fluctuations which impose long-term or permanent injury. Technological change may well be a very different matter. We cannot insulate ourselves from the consequences of developments in world technology as far as world competition is concerned, but we have it in our power to make ourselves the better able to compete by being the better trained and the better skilled and the better adjusted industrially to be productive in that highly competitive world trade.

The key to all this is training. I use the word training in a very general way because it covers a vast and almost never-ending field. We want training at all levels of industry, of management, training of the technician and of the manual operator. Training for skills, training for flexibility, training for adaptability of minds and of hands, training for the process of change, but above all, training for those who still constitute a major section of the industrialized Community, those people who have no skills, who have no expertise. That, I believe, is one of the biggest challenges facing the Western industrialized world in general and the European Community in particular. If we examine our own individual countries, we find that each Member State has adopted its own particular techniques for dealing with this question of training, but I would suggest to this House that there is not a single

## Normanton

Member State which has as yet recognized adequately if at all the need to train people for exercising their skills, whether they be manual or intellectual, in countries or States other than their own.

In other words, we are still hidebound by industrial practices, by educational customs and training methods which are based on national habits and upon parochial customs. For example, take the case of the shipbuilding industry. Until a shipbuilding worker, whether he is a manager or a shipyard welder, is able and willing to move freely between a shipyard in his own country and another shipyard in another country, I believe the shipbuilding industry of Western Europe will be at a grave and continuing disadvantage when competing in what is a world market. Professional standards, professional customs, professional practices and qualifications are and have for long been based on national interests and national perspectives. They may very well have served their nations, their peoples, certainly their professions and in many cases their clients well in the past, but the expansion of what one might describe as the concept of the home market to include eight other Member States within the European Economic Community has changed the outlook and now needs to change the role of most of those who are engaged in professional, technical and scientific work.

These are really but two examples of areas in what we in this Parliament call the social field, where the Community has barely even begun to touch upon the problems which beset a Europe where technological change is taking place so fast and in many cases so painfully, and where we must change or we shall perish. I am certain that the contributions which have been made in this House today during this debate should be seen as clear evidence of the political will and determination which exists throughout the length and breadth of our Member States to convince the Commission — and, indeed, we should be convincing our own parliaments — of the urgent need to make progress in the field of harmonization. It is the harmonization of standards, of training, of qualifications, of expertise, scientific and technological, which I believe in the long run will provide the biggest single impetus and make the biggest single contribution to the long-term solution of this scourge of mankind, of the peoples of Europe in particular.

*(Applause)*

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

**Mrs Goutmann.** — *(F)* Mr President, ladies and gentlemen, for years now the EEC has made itself out to be the champion of a great social policy serving the interests of the workers. Ever since the Rome Treaty was signed, we have continually stressed that the Community cannot, in its present conception, provide the answer to the great problems of the day in all the Member States. On the contrary, the contradictions,

rivalries and competition are all becoming more acute — as the last European Council bears witness. But it is the working population that gets the worst end of the policy decisions imposed by the Community and by the governments of the Member States. Today the whole of Europe has been shaken by a very grave crisis. None of the Member States has been spared — for the simple reason that the crisis does not come from without, nor is it due to bad management; it is structural and bound up with the system that now dominates what is called liberal — in other words, capitalist — Europe.

As long as Europe is dominated by the big multinational trusts and the Community continues to support them, nothing of any real value will be done to meet the needs of the workers and their families and to eliminate hardship and social injustice. The resounding failure of the Community's social policy proves that this is so.

Mr Hillery's report proves it too, because, as he himself admits, unemployment, short-time working and inflation all got far worse in 1975. With all the talk of harmonizing our social policies, we have to admit that the only harmonization we have achieved is in the rates of unemployment and inflation. The figures show how bad the situation is. According to the International Labour Office there are at this moment 17 million unemployed — the rate of increase is 6 million a year — in 23 capitalist countries of which 18 are in Europe plus the United States, Canada, Japan, Australia and New Zealand. These are the highest figures for 40 years. Allowing for the average size of a family, 17 million workless means 40 million people whose purchasing power has been drastically cut. But to confine ourselves to the Community, as recently as 26 March 1976 — despite what some people are calling the economic recovery — the Commission gave a figure of 6 million unemployed and a percentage increase for the past year varying between 10 and 66%. These figures are a measure of the inanity and inefficacy of the steps taken by the Community institutions. Action under the Social Fund — as so rightly pointed out by several Members during this debate — is patently inadequate, particularly with regard to combating youth unemployment. The directive on equal pay for men and women is a dead letter, and women are the hardest hit by unemployment. There has been much weeping and wailing in the Assembly today over the plight of the workless and their families, but there should be no surprise at the situation, since the Community refuses to tackle the evil at its roots. This morning the Commissioner said we had to identify the causes of poverty and find ways to deal with them. But the causes of poverty are well known. They are the stranglehold of a few large monopolies, their profit-seeking attitude and their exploitation of millions of workers. They are the readiness of governments and the Community to pour out public money to help these big groups live and grow and redeploy outside the Community without this

**Goutmann**

making the slightest improvement as regards the problems of unemployment or inflation.

Here are a few more particularly telling figures. With the crisis at its height, with unemployment getting worse, the Exxon company — during the same period — made a profit of \$ 2 500 million, which was twice its profit in 1972. In 1975, St-Gobain, Pont-à-Mousson, returned a profit of FF 1 000 million and the managing director is hoping for an increase of 10 % in real terms in 1976.

If you look at the tables in the Swiss magazine *Vision* or the French *Le Nouvel Economiste*, you will see that in 1974, when what some people called the oil crisis was having its full impact, the profits made by the big industrial groups soared as they had never done before. Not to go further than my own country, if you look at the results of the big groups that the 'Programme commun' plans to nationalize, you will see that, even in the sectors that are in difficulty, those that are redeploying outside the EEC and restructuring and laying off people as hard as they can go are making enormous profits. In the steel industry, for example, Usinor Valloures made FF 2 250 million in 1974 and Sacilor FF 1 260 million — an annual increase of over 156 %; and note this well — EEC aid to the steel industry alone totalled 498 million u.a. between 1 January and 30 November 1975. But layoffs have increased and so has unemployment, and the Commission, sheltering behind Article 47 of the ECSC Treaty — which prohibits the disclosure of information about business relations — has refused to name the groups that the money went to or say what transactions it was used for. Today we have to recognize that it was of absolutely no benefit to the workers and less still to the unemployed.

We are talking about the future of social policy, about what can be done and what the Community ought to do, and yet we know the economic forecasts of each Member State. On the evidence of economic recovery and the slight downward trend in the unemployment statistics in recent months, many countries are banking on unemployment figures soon coming down to a reasonable level. In actual fact, the conditions in which the present recovery is taking place are making things worse and the structural causes of unemployment are going to make themselves felt even more. For France, for example, the OECD predicts an increase in unemployment and a new bout of inflation in 1976: 1 200 000 registered workless and a 12 % increase in prices as against 9 % in 1975. INSEE, the French statistics centre, forecasts that unemployment and inflation will again increase up to June 1976.

Lastly the Commission, in its March 1976 monthly report, admits that the beginnings of recovery will be accompanied by inflation and a trade deficit, which will further increase unemployment. In truth, the Community has done nothing specific to combat unemployment and inflation. Only last week, the sole

purpose of the European Council was to promote a policy of austerity and sacrifices for the workers. That is no way to fight unemployment. We can no longer be content with pious hopes, directives that are never applied and tears of lamentation. We must get out of this situation. For that, the only lasting, valid solution is not to increase our policy of assistance but to break the hold of the big multinationals and to meet the workers' legitimate claims, put forward by all the trade unions together, for security of employment, an incomes policy and the development of vocational training. Consumption by the general population must be increased as an effective stimulant for economic recovery. Lastly, public funds must no longer be used to help the big companies boost their profits. A full employment policy is possible provided steps are taken to stop the big multinationals making the profits they do and to develop the economy of each Member State within the framework of national independence and cooperation on the broadest possible front.

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

**Mr Härzschel.** — (D) Mr President, ladies and gentlemen, when in 1972 we read in the communiqué issued after the Summit Conference in Paris that social policy was to be promoted to the same rank as economic and monetary policy, we all had great hopes that social policy was at last to be brought out from the shadows. Unfortunately, it is now clear that this has not happened, and in many of the speeches we have heard there are signs of resignation at the way things have gone.

The main subject of this discussion has been employment, but I wonder, ladies and gentlemen, whether we are not really talking in the wrong place and with the wrong people. I must support what Mr Artzinger said with regard to economic policy. The keystone of employment policy is a matter of economic policy and the Commissioner responsible is not here, and so I wonder if, in the future, we are going to have to hold hour-long discussions with someone who is responsible for only part of the field.

I, too, would like to quote briefly from the report. Mr Artzinger has already pointed out that, early on, in paragraph 3, it merely says these problems have to be solved in the national parliaments. A little further on, on page 11, it says that, with regard to unemployment, the Commission intends to confine itself to reorganizing and improving the work already being done and to studying the prevailing economic situation and the problems involved; but no definite proposals are made.

It is therefore quite obvious that the Community is unable to tackle this problem; and whilst Mr Hillery has dealt with it at length in this House I must ask him quite plainly: Do you really believe you can do something about it? If you say you can, then I ask



**Härzschel**

you: What definite proposals have you made up to now to deal with the problem? This is certainly not the first time we have debated it — we have discussed it on several occasions, and if what is in your report is all you have to say on the subject then, in my opinion, it is precious little. Please forgive me for speaking so bluntly, but in view of the importance of the problem I think we have to.

But I do not want to saddle you with the main burden of responsibility; instead I would stress once again that it also concerns the Commissioner responsible for economic policy, and I would even add that the Commissioner responsible for research and education policy ought to have his say, because all these questions are closely interrelated.

As other speakers have said, we must get down to a thorough-going study of the causes of this unemployment. When we do, we must discuss it frankly and openly with those responsible, including the social partners, who bear a large share of the responsibility and not just beat about the bush, as so often happens. The Tripartite Conference was certainly a beginning in which we tried to clarify positions, only I feel that this sort of grand manifestation is, if I may say so, just a show for the outside world; it will not solve our problems. Instead, what needs to be done is to increase the activity of the committees doing the detailed work so that we may perhaps obtain more rapidly material from them on the causes and structural problems of unemployment and on the short-term economic aspects.

I can really only ask that we should also include education policy in this general debate, even though we have framed education policies in our own parliaments without any reference to developments on the labour market. And yet manpower policy and education policy are interrelated, and we shall have to gear the one to the other if we want to avoid grave errors of development in these fields. Out-of-work graduates and teachers are clear evidence that we must also look into education policy and its effects on manpower policy.

The same applies to unemployment among the young. We must clearly understand what has led to such high youth unemployment figures. I can only say that education policy certainly plays its part in this — and the same has to be said about unemployment among women.

Vocational training seems to me to be a central issue. Here we must intensify support measures and upgrade vocational training in comparison with academic education. In the past, I feel, the latter has been given too much importance, whereas we need both.

In some other fields, it seems to me, the Commission has put forward some thoroughly positive proposals — which we are glad to note — on harmonization, and we can but support the Commission in its efforts

to see them materialize. The individual subjects have already been dealt with.

But allow me to say *one* thing. If we are going to analyse things in detail, then we must have better statistics, statistics that mean something and are not so hopelessly out of date that they have no value whatsoever in evaluating the present situation.

I would also like to say something to Mr Albertsen, who said that the Socialists stand up for the workers' rights. I think this is something we all want. Only I would add, Mr Albertsen, that the situation will not be improved by changing the social system, because in every country where it has been changed the workers are no better off. This also applies to what Mrs Goutmann said. If it could be done just by getting rid of the multinationals, it would be a very simple matter. I can only say that in those areas where your political friends bear the responsibility, they are quite definitely less well-placed than they are in our countries.

Summing up, I would say that if we really want to make some progress then we cannot hold this debate just with the Commissioner responsible for social policy. There needs to be a general debate, including economic and educational policy.

In conclusion, I would add that we shall make headway with our social policy only if the Community moves forward as a whole, for social policy is a part of that whole. Unfortunately, the results of the last European Council were not very encouraging. When Parliament has greater rights and powers, and when direct elections are held and we can really exert greater influence on the framing of policy, then social policy will advance as well. For this we must all be willing to leave our national hobby-horses at home so that we can go ahead with the Community. This must be our object, with a view to strengthening the Community institutions in the cause of a better social policy for the future.

*(Applause)*

**President.** — I call Mr Hillery.

**Mr Hillery, Vice-President of the Commission.** — Mr President, ladies and gentlemen, this has been a very interesting and wide-ranging debate and has aired many views. Ideas have been suggested which may help us to inch forward towards the social and economic consensus which has to be an essential part of the fight against inflation and unemployment. In this search for consensus, as I said this morning, we must not destroy the possibility of success by seeking immediate, instant solutions like instant coffee or instant tea. Nor should we lose heart, no matter how slow or difficult our progress may be. Sacrifices and responsibilities are never easily shared, and our response to the present recession is directed towards achieving as I said, a new equilibrium between the roles of the social partners, governments, and Community and international obligations.

## Hillery

The voice of the European Parliament can be helpful in this balancing process, and the timing of this debate, during the period of preparation for the next tripartite conference, is useful. If I might say so, the Parliament has already had the opportunity of debating some of these matters in the presence of my colleague with special responsibility for economic and monetary matters, and I would hope that in all further debates on this area the Commission's contribution will be based on the collegiality of the Commission.

In reply, I cannot hope to do justice to all the important points that have been made in the course of the debate. I would like to focus simply on a number of the themes, for it seems to me that further comment giving the Commission's viewpoint might be useful.

First of all, the European Social Budget. I would like to thank Mr Albertsen for the very constructive report as well as for his short and clear introduction, in which he made clear that the Social Budget is not a budget in the usual sense of the word, but an instrument of forecasting — forecasting the expenditures for social purposes (at the moment that is mainly social security) and the financing of these expenditures.

As was envisaged in the social action programme, the first Social Budget was submitted to the Council in 1974. It covered the period 1973-75, but in that very period the energy crisis arose, so that all the basic forecasting data regarding medium-term economic development, wage and price increases, the unemployment rate and others, had to be reviewed. That is why the Council at its first discussion of the Social Budget recognized that the forecasts made in the first Social Budget were no longer valid and should therefore be updated. This was done in the course of 1975, and by the end of the year the revised first Social Budget was practically ready. Unfortunately, however, some additional revisions still had to be made, and it could not be sent to Parliament; but it will be sent to Parliament in the very near future, and so I would appreciate it if paragraph 2 of the motion for a resolution could be modified in the light of this information.

As pointed out in paragraph 3 of the motion, the Social Budget is intended to be a major instrument in efforts to harmonize the social systems in a progressive manner. In fact, the figures of the first budget will show that the share of social security expenditures in the national product will continue during the next year to grow in all the Member States, though not always to the same degree.

Up to now the European Social Budget has been restricted to the expenditures of legal and voluntary social security protection schemes. I therefore have some difficulty in accepting paragraph 4 of the motion. Social security schemes are in general nationwide legislations providing for no regional differences. A better instrument to answer to Mr Albertsen's request is, in my opinion, the social indicator system, which includes the whole range of social policy. The

working party for social indicators has already made a regional breakdown of a number of the indicators, which could help in identifying regional differences.

Finally, in future I think it will be best to combine these two instruments: the European Social Budget and the social indicators. This can be done as soon as the Social Budget has extended to cover other sectors than that of social security alone. A first attempt will already have been made for the second Social Budget, into which we shall try to include expectations for vocational training of adults and low-cost housing.

In regard to the report itself, if I may reply to Mr Vandewiele, all the proposals mentioned in paragraph 14 will be submitted to the European Parliament for its opinion in the course of this year. In reply to Mr Glinne — and I take his point about the difference between the view taken by the President of the Commission in February, when he saw the lack of progress towards integration and harmonization and my view now — all I can say is that I see things as they might have been, not as we envisaged them in the halcyon days of effortless growth in which we looked forward to closer and closer integration (I do not deny that if closer integration had taken place, the Community would be far better off now), but under the fissiparous pressure of fairly destructive forces. As I said when introducing this report this morning, there could have been much worse damage done by the stresses on the Community and the lack of cohesion could have had a much worse effect on employment and economic growth in the Community. This is somewhat like the case of the half glass of water, where some people say it is half-full and others say it is half-empty. As I explained this morning, I was looking at the situation as it might have been had things turned out for the worst, and I think the President, being perhaps more optimistic, was considering what might have happened if they had turned out for the best.

Several Members took up the question originally tabled for the part-session by Mr Evans — namely, the Commission's view of employment prospects for the remainder of 1976 and for 1977. The Commission has set out its views on employment prospects for 1976 in its 'Economic Guidelines for 1976' (Commission document 76/82). This assessment suggests that, while the upturn in economic activity has begun, it will be some time before this leads to a reduction in unemployment because of the high levels of short-time working and the under-utilization of the existing labour force by many employers. Hence unemployment at the end of 1976 may not be much lower than it is at present, that is 4 1/2 million people, whereas it was 5 1/3 million in December 1975. It is nevertheless interesting to note that the first three months of this year have seen a drop of 400 000 in the overall unemployment figure for the Community. The Commission is at present preparing its fourth medium-term economic programme covering the period

## Hillary

up to 1980 and when this is available later this year, it will be possible to give more precise indications for 1977. For the moment, our expectations are that unemployment will fall more rapidly in 1977 than in 1976 but not as fast as in previous recoveries from recession.

We hope that the June tripartite conference of finance ministers, employment ministers and social partners will deal particularly with the strategy for a recovery in employment during the next two years. In reply to Mr Glinne about proposals from the Commission, I would like to establish that what we are preparing is a discussion-paper for the tripartite conference in June. In this discussion-paper we shall not put forward proposals for decision, because the tripartite conference is not a decision-making body. We put forward for discussion the ideas contained in the memorandum of the ETUC about shorter working hours, longer holidays with pay and the lowering of the pension age as well as other for well other proposals for reduction of unemployment. We believe that it is by the frank discussion of the proposals that the prospects for a consensus between governments and social partners are most likely to emerge.

The debate has shown a clear understanding that, just as there has been a global dimension to the recession, so there has to be a global approach to recovery. The Commission is in close and continuous contact with our colleagues in the OECD and the ILO on employment questions, with a view to defining, within these broader connections, what must be done at Community level. I participated myself in the recent meeting of OECD ministers on employment problems and will be participating in the Conference on World Employment organized by the ILO. I had prepared answers for Mr Marras, who expressed particular interest in the outcome of the OECD meeting and I summarized the Minister's communiqué for him. I quote :

The Ministers reaffirmed their government's commitment to make full employment one of the essential objectives of their policy and this implies a return to higher levels of economic activity and a progressive reduction in the rate of inflation. In addition to seeking an expansion of demand, the Ministers called for direct means to stimulate the creation of employment and to help workers obtain adequate skills.

I think this was the point which Mr Normanton was interested in. Their communiqué also underlines

... the need for various supporting policies on equality of access to jobs, greater opportunities for the young, improvement of working conditions, adult training and education, greater flexibility about career development.

As Mr Glinne suggested it is important that the social partners should be fully involved in the choices which face the Community in its relations with the Third World, and particularly with the Member States of the Lomé Convention. To this end, the European social partners and the Commission will be taking an active

part in the ILO World Employment Conference in June. In the particular context of the Lomé Convention, I am aware that my colleague, Mr Cheysson, has already made contacts possible at informal level between the trade unions and the workers' representatives in the countries of the Convention.

From the point mentioned in the OECD communiqué and from questions raised in this debate, and indeed from the basic conviction which ended my statement this morning, I would like to try to develop more fully what I see as one of the most promising approaches to the direct creation of employment, which I think should be taken up actively within the Community. Perhaps the most striking examples of a successful implementation of the kind of policy I have in mind are to be found in the American Emergency Job and Unemployment Assistance Act and the Canadian Local Initiatives Programme. These have involved putting public funds to work in support of projects giving jobs in the services sectors and in community activities. These are not 'filling holes-in-the-road' projects, but range from the provision of day-care centres and consumer advisory services to bridge-building and home repairs.

Such schemes have a significant social payoff in terms of meeting the needs of local communities and the involvement of local groups in the solution of their employment problems, as well as providing useful training and experience for the unemployed. Like many small-scale enterprises, such job creation projects are increasingly regarded as providing the preconditions for further durable economic and social development.

I would like to be clear about the economic conception of these schemes. They are not a way of asking the unemployed to earn the benefits to which they are entitled. It is not a case of new wine in old bottles. Any comparison with the outdated moralistic approach we associated with the unproductive public works projects of previous generations would be totally misleading. The idea is to open new possibilities of wage-earning to men and women and young people who find themselves unemployed and who would welcome an opportunity to do constructive work for their local community in their fight to combat the corrosive effects of prolonged unemployment.

The net cost of a job creation scheme is the difference between the wage provided by the scheme after income tax and social security deductions and the 'wage' paid through the social security system. To this must be added the cost of administration and the cost of materials and equipment. This approach to job creation has been described both as radical and reactionary. I believe it to be common sense. It is now attracting increasing interest and the Commission is looking into ways in which it might be encouraged in the Community. As Members are aware, it will not be

## Hillery

seen as a substitute for economic growth but as a complement to it.

The question of youth unemployment, which several Members have mentioned, is engaging the active attention of the Commission. Most of those who are unemployed have little or no vocational qualifications. They tend to be those who leave school as soon as possible and who have gained the least in the way of skills and knowledge from their school careers. For this reason we have in draft a recommendation to Member States to increase their provision of vocational preparation for the unemployed, with particular attention to the least qualified. We think also that any initiatives taken in the field of job creation should concentrate on the young unemployed.

Whatever our pet theories or favourite scheme, particularly at a time when recession seems to be bottoming out, I feel that a sound basis on which to sum up this debate is to repeat the warning I gave to this House against wishful thinking in the deepening gloom last October. If I may quote, Mr President, from the sitting of 14 October.

'The Commission does not intend to fall prey to such wishful thinking in any policy area. The pain and hardship of the unemployed must strengthen the determination of everybody with a contribution to make, at whatever level, and everybody with a responsibility to fulfil, to take up a position on these employment issues. It is not easy terrain, and the adjustment period could be long and difficult. Whatever our differences along the way, we should make it clear that Parliament, Council, Commission, national governments and social partners are all on the same side. Such a united front is not an option; it is an obligation. Consultation and participation are not empty slogans; they are essential instruments. Sharing what we now have, so that we may be ready for what the future will bring and what we can make of it, is the inescapable logic of where we are today.'

This has now become the key to what the Commission envisages as an alliance for full employment and stability. That alliance has to be made a reality by political commitment. For that the Community must look forward to the Tripartite Conference.

*(Applause)*

**President.** — I call Mr Albertsen.

**Mr Albertsen, rapporteur.** — *(DK)* I wish to make one comment on Mr Hillery's statement and say a few words about the report which I have presented on behalf of the Committee on Social Affairs, Employment and Education.

I would say to Mr Hillery that I consider it an extremely valuable thing that this House should be addressed by a man possessed of optimism and faith. But in the same breath it should be stressed that there should also be reasons for such optimism. I do not consider that the situation which we discussed in

October and have discussed again today — and a further tragedy is that the underlying problems remain the same — justifies the optimism expressed by Mr Hillery, considering that there are approximately 5.8 million people unemployed and that next year the figure may be 4.5 million.

In the speeches made today, Parliament has, I think, clearly expressed the opinion that the object is full employment and that the thought of unemployment is unacceptable. I am sure that this view, which I do not question, is shared by Mr Hillery on behalf of the Commission. I can see that Mr Hillery is nodding assent, which means that the Commission agrees with everything that has been said in Parliament today. If this opinion is shared by two of the parties concerned, the third element in the European Community, the Council of Ministers, might well be persuaded to adopt it too, and to take measures to ensure that this opinion is put into practice. If this is to be done, and if the forthcoming Tripartite Conference is to be more effectual than the last one, there is a need not only for measures at the Community level but also for guidance, ideas and inspiration at the national level. For we have again seen today that the Community cannot solve everything alone, even if it bears a particular responsibility. I consider, therefore, that realistic action in this field, rather than mere discussion, with each side expressing its humble opinion, will solve these problems. I sincerely hope that Mr Hillery agrees with me on this point.

As regards Mr Hillery's comments on the amendment proposed by the Committee on Social Affairs, I should like to say that when this matter was discussed by the committee, the Commission representative — who was not Mr Hillery — did not, in my view, oppose the wording of the report. And when the report on the Regional Fund or regional policy was considered, it was quite clear that the opinion was shared by the overwhelming majority of the committee. If I remember rightly, it was opposed only by the two Liberal Members present. The real question — and I believe that a number of Members of this House would wish to answer it in the affirmative on the basis of national experience — is whether the conditions obtaining in the regions are such as to render these areas integral parts of the societies of the countries concerned. This question concerns employment, standards of living and, what is most important, educational opportunities. That is why paragraph 4 is included in the motion and why it is worded as it is.

The amendment proposed by Mrs Kruchow on behalf of the Liberal Group reflects views which were expressed in committee and rejected by the majority. I therefore recommend, on behalf of the committee, that the House vote against the proposed amendment and in favour of the wording contained in the motion for a resolution.

*(Applause)*

**President.** — Does anyone else wish to speak?

We shall now consider the motion for a resolution contained in the report by Mr Albertsen (Doc. 38/76).

I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3, I have Amendment No 1, tabled by Mrs Kruchow on behalf of the Liberal and Allies Group:

‘At the end of this paragraph, replace the words:

“harmonize the social systems in a progressive manner”

by

“create progressively uniform social conditions.”’

I call Mrs Kruchow.

**Mrs Kruchow.** — (DK) I naturally regret that Mr Albertsen, who has drawn up this report, opposes the adoption of this amendment on behalf of the committee. I consider that the terms of the motion for a resolution are too limited and that, as has been implied by a number of speeches here today, it is essential to create these similar social conditions. This means that we should not consider social expenditure only, but that the problem should be viewed from a much wider angle. Otherwise, the social benefits which we are attempting to assess will give rise to excessive distortion and, in some cases, dissatisfaction.

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

Amendment No 1 is rejected.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

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

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

#### 8. *Agenda for the next sitting*

**President.** — The next sitting will be held tomorrow, Wednesday 7 April 1976, at 10.00 a.m. and 3.00 p.m., with the following agenda:

— Question Time;

— Statement by the President-in-Office of the European Council on the meeting of the European Council (followed by debate);

— Oral Question, with debate, to the Commission on France’s withdrawal from the currency snake;

and

— Motion for a resolution by Mr Blumenfeld on the Euro-Arab Dialogue.

The sitting is closed.

*(The sitting was closed at 5.50 p.m.)*

<sup>1</sup> OJ C 100 of 3. 5. 1976

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#### IN THE CHAIR: MR SPENALE

*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.

Are there any comments?

The minutes of proceedings are approved.

##### 2. *Text of Treaty forwarded by the Council*

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

the notice of the completion by the Community of the procedures necessary for the entry into force of an agreement extending the provisions governing the first stage of the Agreement establishing an Association between the European Economic Community and Malta.

This document will be placed in the archives of the European Parliament.

##### 3. *Documents received*

**President.** — I have received from the Council a request for an opinion on the first list of requests to carry forward appropriations from the financial year 1975 to the financial year 1976 (appropriations not automatically carried forward) (Doc. 47/76).

This document is referred to the Committee on Budgets.

##### 4. *Verification of credentials*

**President.** — At its meeting this morning the enlarged Bureau verified the credentials of Mr Guerlin, whose appointment by the French National Assembly was announced on Monday, 5 April.

Pursuant to Rule 3 (1) of the Rules of Procedure, the Bureau has made sure that this appointment complies with the provisions of the Treaties.

It therefore asks the House to ratify this appointment.

Are there any objections?

This appointment is ratified.



5. *Tabling of two motions for resolutions*

**President.** — I have received from Mr Fellermaier, on behalf of the Socialist Group, Mr A. Bertrand, on behalf of the Christian-Democratic Group, Mr Durieux, on behalf of the Liberal and Allies Group, and Sir Peter Kirk, on behalf of the European Conservative Group, a motion for a resolution, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on elections by direct universal suffrage to the European Parliament.

This motion for a resolution has been printed and distributed as Doc. 45/76.

I have received from Mr Fellermaier, on behalf of the Socialist Group, Mr A. Bertrand, on behalf of the Christian-Democratic Group, Mr Durieux, on behalf of the Liberal and Allies Group, Mr de la Malene, on behalf of the Group of European Progressive Democrats, and Mr Amendola, on behalf of the Communist and Allies Group, a motion for a resolution, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the protection of the rights of the individual in the face of developing technical progress in the field of automatic data processing.

This motion for a resolution has been printed and distributed as Doc. 46/76.

I shall consult Parliament on the adoption of urgent procedure for these two motions for resolutions at the end of Question Time.

6. *Organization of the debate following the statement by the President-in-Office of the European Council on the meeting of the European Council*

**President.** — At its meeting this morning the enlarged Bureau decided that the debate following the statement by Mr Thorn on the outcome of the European Council meeting on 1 and 2 April would be organized as follows:

Following the statements by Mr Thorn and Mr Haferkamp, there would be two separate debates, one on the general aspects of the Council meeting and the other on direct elections to the European Parliament, the latter ending with a vote on the motion for a resolution which has just been distributed.

On a proposal by the chairmen of the political groups, speaking time would be allocated as follows:

- 45 minutes for the Socialist Group
- 40 minutes for the Christian-Democratic Group
- 25 minutes for the Liberal and Allies Group
- 20 minutes for the Group of European Progressive Democrats
- 20 minutes for the European Conservative Group
- 20 minutes for the Communist and Allies Group
- 10 minutes for non-attached Members

The time limit for inclusion on the list of speakers would be set at 12 noon.

Are there any objections?

That is agreed.

7. *Question Time*

**President.** — The next item is questions addressed to the Conference of Foreign Ministers of the Member States of the European Community, to the Council and to the Commission of the European Communities, (Doc. 39/76), in accordance with the provisions of Rule 47A, paragraph 2, of the Rules of Procedure. I would ask Members to put their questions in strict conformity with the Rules. We shall start with the question addressed to the Conference of Foreign Ministers of the Member States of the European Communities. This is Oral Question No 1 by Lord Gladwyn:

‘Does the Conference of Foreign Ministers regard the recent establishment of a Committee of the Armaments Directors of the countries represented in the „Eurogroup” and France as in any way interesting or significant from the point of view of the defence of the Community?’

I would ask the President-in-Office of the Conference of Foreign Ministers to answer this question and any supplementary questions.

**Mr Thorn, President-in-Office of the Conference of Foreign Ministers.** — (F) The work of the European programming group for cooperation in armaments has not been examined within the framework of political cooperation — and honourable Members will immediately understand the reason for this. There can therefore be no joint attitude of the nine Foreign Ministers on this point, least of all in the context of the Conference of Foreign Ministers.

Speaking personally, I might add that I feel each of the ministers making up the Conference of Foreign Ministers undoubtedly considers the establishment of this Committee of Armaments Directors to be of significance from the point of view of our common defence.

**Lord Gladwyn.** — I think it amounts to an admission that the Conference of Foreign Ministers and *a fortiori* of course the Council of Ministers is in effect washing its hands of a body which, however limited in scope at the moment, does represent after all the only hopeful initiative as regards the defence of western Europe within the North Atlantic Alliance that has been taken in the last 20 years. Would not the President-in-Office agree that if the newly formed committee is to get anywhere, it must work on the basis of some kind of political directives, and if so, could he perhaps give us some indication as to the source from which such political directives could eventually come?

**Mr Thorn.** — (F) Lord Gladwyn, I think we shall be having an opportunity later today to discuss the difficulties the Community is having in reaching agreement in fields which are our responsibility — fields which are covered by the Treaties and in which we are facing problems which we are unable to solve.

**Thorn**

In view of this, I think it would be somewhat premature — to put it mildly — to try and reach agreement, within the institutional framework of the Nine, on a common defence policy, at a time when eight States are members of the Atlantic Alliance and the ninth is not, and there has been in any case a formal understanding up till now not to discuss matters of defence and armaments within the framework of the Community institutions.

Although the ministers concerned can issue directives, they cannot at present do so within the framework of the Community.

*(Applause from the left)*

**Sir Geoffrey de Freitas.** — Looking at the wording of Lord Gladwyn's original question, may I ask the President-in-Office whether it is not likely that this is even more interesting to NATO and WEU, in which most of our countries are allied and which are expressly concerned with defence?

**Mr Thorn.** — (F) Yes.

**President.** — We turn now to questions addressed to the Council. The President-in-Office of the Council is invited to reply to these and to any supplementary questions. I call Oral Question No 2 by Mr Durieux, whose place is taken by Mr. Meintz :

'In view of the implications that Community legislation in this area might have for certain national systems, can the Council give details on the state of progress of its work on directives on the achievement of freedom of establishment and freedom to provide services for self-employed architects?'

**Mr Thorn, President-in-Office of the Council.** — (F) Mr President, the Council's departments are at present working on the proposals aimed at achieving freedom of establishment and freedom to provide services with regard to architectural activities. In spite of the unavoidable delay caused by the enlargement of the Community and by the judgments of the Court of Justice in the Reyners and Van Binsbergen cases — these made it necessary to reformulate all the texts involved — the work is now so far advanced that the Council will fairly shortly be able to make a statement on the questions of principle still pending.

I might add that certain questions relating to the equivalence of diplomas still have to be solved. Parliament will be aware that, in Germany in particular, there are a number of specialized schools which do not have the academic status of the 'Beaux-Arts' type.

At a particular level, however, we hope that it will be possible to find a solution very soon. It is at any rate one of the objectives we have set ourselves for the first half of this year.

**Mr Meintz.** — (F) Mr President, in view of the fact that these proposals go back as far as 1968, could the

Council give us a somewhat more formal undertaking that it will take all the necessary steps to ensure that this work is speeded up and perhaps completed by the end of the year?

**Mr Thorn.** — (F) In the light of my experience, I must tell Mr Meintz that it is difficult for the President of the Council to give any undertaking at all on behalf of the Council. What I can say is that we shall do everything possible to ensure that the decision he has called for will be taken in the first half of the year. If there are any sectors at all in which undertakings can be given with the maximum guarantee, this is perhaps one of them.

**Sir Derek Walker-Smith.** — As architects are fortunate to have an exportable skill and a common idiom — advantaged not possessed in the same degree, unfortunately, by lawyers — does it not follow that progress on directives for architects should be at least as speedy as in regard to lawyers or more so, and is it not a fact that the complications raised by the decisions of the Court of Justice to which the President-in-Office of the Council has referred are already now some time ago? Can this matter be speeded up if at all possible?

**Mr Thorn.** — (F) Mr President, you know that the problems relating to freedom of establishment are nothing new, and that it has not been possible to solve them overnight — they have in fact been with us for ten years now! There is nothing more I can say in reply to this supplementary question which I did not say in my initial reply: I feel that the study of the problems is now proceeding apace, and I hope that the decision will be taken by the end of the first half of the year, in other words within the next two months. We shall just have to be patient.

**President.** — I call Oral Question No 3 by Mr Osborn :

'What discussions have been held at Council level or are likely to be held with a view to providing Community finance for a Channel Tunnel?'

**Mr Thorn, President-in-Office of the Council.** — (F) As regards the possible construction of a Channel Tunnel, no new factor has emerged which might modify the reply Mr Brinkhorst gave on my behalf to the oral question on this subject by Mr Berkhouwer and others at your sitting of 10 March. I am sure Members will know what we have been concerned with since 10 March, and that the Channel Tunnel has not featured on any of our agendas.

**Mr Osborn.** — Are not the Channel Tunnel and other sea links — from Denmark to Italy — all part of a Community transport strategy, and are they not all the more important because of developments of hovercraft and on one hand and the rising costs of air transport over short distances?

**Mr Thorn.** — (*F*) Since I am no expert on the subject, I can only say that this questions has not been discussed since last month. Since the Luxembourg Minister of Transport, Mr Mart — who is currently President of the Council of Ministers of Transport — has agreed to meet a delegation of Members of Parliament from the competent committee in May, I feel that this is one topic of conversation which can receive a more satisfactory reply in that context than it can here.

**Mr Krieg.** — (*F*) Have any Steps been taken to compensate the businessmen who, in the belief that this project would be realized, carried out a large number of studies and spent money — considerable sums, in some cases — on it?

**Mr Thorn.** — (*F*) The honourable Member must realize that the Channel Tunnel was not a Community project, and that questions as to compensation should be addressed to the House of Commons or the French National Assembly.

✓ **President.** — I call Oral Question No 4 by Mr Cousté :

'Can the Council state whether it is true that the Chinese authorities have made it known that they are ready to open negotiations with the European Economic Community for a trade agreement? Has the Council prepared or defined a negotiating brief for the Commission of the EEC?'

**Mr Thorn, President-in-Office of the Council.** — (*F*) As Sir Christopher Soames informed the European Parliament on 18 June 1975, the Chinese authorities made it known during his visit in May 1975 that they were prepared to give favourable consideration to the Community's offer to conclude a trade agreement.

During this visit, there was an initial exchange of views, at both ministerial and official level, on the various aspects of such an agreement. Since then, there have been regular contacts between the Commission's departments and the representatives from the mission of the People's Republic of China in Brussels, and these contacts should shortly be giving way to exploratory talks.

As far as the second point in the question is concerned, the European Parliament will be aware that, in accordance with usual Community practice, the Council cannot prepare a negotiating brief for the Commission until the Commission has presented a report on the outcome of these exploratory talks, and this report would have to contain specific proposals to the Council for the opening of official negotiations.

**Mr Cousté.** — (*F*) I am extremely grateful for this answer, which confirms the completely official nature of the talks between China and the Community. However, there is still the problem of the timetable. Could the Council give the House some details on this point? When will the Commission be making its

proposals? When will the Council be deciding on the Commission's brief?

**Mr Thorn.** — (*F*) In negotiations like these, the timetable depends not on one side alone, but on both sides. As the honourable Member will be aware, the People's Republic of China usually takes all the time it needs to prepare negotiations. Moreover, as I have just said, these talks are at present purely exploratory and, as such, could not be held in public. Once the exploratory stage has lasted long enough and we feel that we can start the actual negotiations, each side will report back to its principals and ask for a formal mandate to open negotiations.

**Mr Dalyell.** — Is the President-in-Office aware that some of us who visited the Chinese mission in Brussels on precisely this subject have the impression that it is not only the Chinese who, to quote his own words, are taking their time? Perhaps it is ourselves who are taking our time. Can we have the absolute assurance that some sense of expedition and political will will be put behind this matter?

**Mr Thorn.** — (*F*) I do not think, either personally or as President-in-Office of the Council, that there has been any deliberate wish on the part of the Community to slow down these preparatory negotiations. However, the honourable Member must remember that these are exploratory contacts which the Commission is making, without any brief from the Council. Perhaps it could itself say, if asked, whether it is 'dragging its feet'?

**Mr Dykes.** — Can the President-in-Office say what he thinks would be the one or two principal products from the People's Republic which would figure in such a trade agreement by way of Chinese exports, or does he really feel this is much more likely, to be a political than a real trade agreement?

**Mr Thorn.** — (*F*) It is too early yet to go very far in this field, but I can say even now that I feel this will be not so much a political agreement as a trade agreement. I might add that, in accordance with our principles, such an agreement could under no circumstances be of a preferential nature.

**President.** — I call Oral Question No 5 by Mrs Ewing :

'Can the Council give an assurance that in connection with development of the EEC Transport Policy, there will be no prohibition on the rights of Member States to create a social element in the financing of all forms of transport in remote and sparsely populated areas?'

**Mr Thorn, President-in-Office of the Council.** — (*F*) There is a regulation dated 26 June 1969 which lays down specifically that the obligations inherent in the concept of public services in the field of rail, road and water transport may be maintained in so far as they are essential for the provision of adequate transport services.

**Thorn**

This regulation also lays down that the general measures of price policy applying to all economic activities or measures affecting the price and general conditions of transport and aimed at organizing the transport market or part of it shall not be considered tariff obligations nor, *a fortiori*, obligations inherent in the concept of public services.

This regulation thus enables the Member States, in particular, to incorporate a social aspect in the financing of all forms of transport in remote and sparsely populated areas.

Although the wording of this reply is not particularly satisfactory, I think its content should dispel the anxiety of the honourable Member.

**Mrs Ewing.** — I did not understand all of the answer, I must confess. I am worried about the prohibition on support to protect undertakings when the second stage is arrived at unless such support is authorized by the Commission. I am sure it will be appreciated that there are enormous costs involved in renewing old stock and in renewing or building motorways and good roads. I am thinking for the moment of the position in Scotland, where there are only 98 miles of adequate trunk-road and motorways. Can I have an assurance, in view of the unique importance of transport to rural regeneration, that the Council accepts that it is the inalienable right of any European citizen to move about by means of public transport of some kind? Will the Council make special rules for the remote and sparsely-populated areas?

**Mr Thorn.** — (F) I think my reply to the honourable Member's question was absolutely positive. I might add that the Treaties have never impeded — quite the contrary — the development of the social policy in the Member States. It is only when a specific policy might have a considerable effect on competition policy that a problem might arise, and this is not the case in this particular field. At a general level, I would point out that the establishment of a common market has been accompanied in all Member States by a development unprecedented in the history of social benefits. There are no grounds for thinking that this phenomenon will not also occur in the new Member States.

**Mrs Dunwoody.** — Would the President-in-Office of the Council not accept that transport is one of the most important subjects in which it really is not possible to restrict services, particularly in the more remote regions of the Community in terms of straight-forward competition policy? In passing, might I ask him, if he in fact knows any way of making railway systems pay, whether he would be kind enough to convey this information to the British, who, I am sure, would be delighted to know how he does it?

**Mr Thorn.** — (F) I think what you are calling for is provided for by the regulation. My reply to the first part of your supplementary question is thus in the

affirmative. As for the second part of your question, as to whether I know any way of making railway systems profitable and of protecting them from losses, I must admit in public that the answer is no. Even if I did know a way, in my usual selfish manner I would tell our national railway company before I told Her Majesty's Government!

**Mr Dalyell.** — Is the President of the Council aware that Mrs Ewing has asked him the silliest and stupidest question that has been put in this Chamber, either to the Council or to the Commission, since Britain has been a member? No one is denying the inalienable right of the Scottish people to travel by public transport.

(Smiles)

**President.** — Mr Dalyell, you were only allowed to put a supplementary question, so you did not abide by the Rules. I shall remember that another time!

I call Oral Question No 6 by Mr Mursch:

'What criteria does the Council intend to use in future when applying the unanimity rules contained in Article 75 (3) of the EEC Treaty? Will it resort to majority decisions or does it intend, in cases where no progress can be made in the foreseeable future in common transport policy by applying the unanimity rule, to refer the matter to the European Council so that the latter can take a fundamental decision on transport policy in order to prevent a lasting setback for the Community in this important area?'

**Mr Thorn, President-in-Office of the Council.** — (F) Article 75 (3) has not yet been implemented. If, in future, the Council had to adopt provisions of the kind covered by this paragraph, it could only do so unanimously, as laid down in the Treaty. There are no plans to refer transport policy questions to any of the forthcoming meetings of the European Council.

**Mr Mursch.** — (D) Mr President of the Council, after the depressing and disappointing outcome of the latest meeting of the European Council, I too have now come to the conclusion that there is no point in referring the matter to the European Council. In this context, however, I might also add that I very much welcome your personal stance in favour of an overall transport policy. May I ask you the following question on this point: can you confirm that the Council of Ministers of Transport now has before it 69 proposals from the Commission — some of them put forward many years ago — on which no decision has yet been taken, and can you also say, Mr President of the Council, whether you would now appreciate our motives if the European Parliament brought an action before the European Court of Justice for failure to act. This action would be based on Article 1975 of the EEC-Treaty in conjunction with Articles 74 and 75, stipulating that there must be a common transport policy, which, however, still does not exist?

**Mr Thorn.** — (F) The number of transport directives pending is not much higher than the number of directives pending in other fields.

You can take this answer for what it is worth! In any case, most of the directives contained in the figure given by the honourable Member are now out of date. Perhaps we should 'brush up' our statistics somewhat!

**Mr Osborn.** — Will the President-in-Office bear in mind that, of the sixty odd proposals that may be outstanding, one or two are of high priority. I raised with him last month in Strasbourg the problem of vehicle dimensions, axle weights and horse-power-to-weight ratios. This is one issue that is keeping the whole of the heavy commercial vehicle industry of Europe in a quandary. Can he speed up matters in that respect?

**Mr Thorn.** — (F) I think I told you last month that the Council had decided to proceed in stages on this point. You will also realize that the accession of new countries has not made the situation any easier. If I remember correctly, the Six had more or less settled their differences, but the accession of three new Member States makes a reexamination necessary, and the particular point you have raised does not concern the Ministers of Transport alone — it also involves other sectors and ministers responsible for other fields, such as industry and public works, in which harmonization has yet to be achieved.

**Mr Fellermaier.** — (D) Mr President of the Council, must your previous answer — that a considerable proportion of the 69 directives mentioned by Mr Mursch is now out of date — be taken to mean that the Commission is submitting superfluous directives to the Council of Ministers for a decision, or do they become out of date because the Council lets them gather dust in a drawer?

(Scattered applause)

**Mr Thorn.** — (F) Ladies and gentlemen, under no circumstances should anyone interpret my reply a short while ago as implying the slightest criticism of the Commission.

The Council takes so long to reach agreement on the draft directives submitted to it by the Commission that, by a process of wear and tear normal in the modern world, these directives become out of date. However, the fault does not lie with the Commission!

**Mr Bangemann.** — (D) Mr President of the Council, do you not agree that, quite apart from the fact that we do not get any decisions on the matter, this conduct on the part of the Council is increasingly leading the public to lose its — already much reduced — belief in progress in Europe, and do you not agree that the Council is thereby assuming a responsibility which cannot be overcome by the perhaps somewhat jocular replies to these questions here?

(Scattered applause)

**Mr Thorn.** — (F) That is precisely my view, Mr Bangemann, but it must be understood that these questions addressed to the Council of Ministers of Transport cannot be solved by these ministers alone. This is an important point and one which I must emphasize.

**Mr Seefeld.** — (D) Mr President of the Council, there were two parts to Mr Mursch's question. You answered the first part but not the second. You have been very frank up till now, and I am grateful to you for that. May I therefore again ask you what you would think if the European Parliament were to bring an action against the Council for failure to act on the transport policy?

**Mr Thorn.** — (F) You know me well enough to realize that I am inclined to agree with Mr Mursch. However, the President-in-Office of the Council can hardly be asked to suggest to Parliament that an action should be brought against the Council — that's going too far. I can only state my personal views. In any case, if an action is brought, it is up to the Court to decide — not to me. Finally, supposing the Court gives judgment against us, that would perhaps be a success for the plaintiff, but it would still not give us a common transport policy!

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Without wanting to enter into an argument with the Council on whether the directives submitted are of value or not, or whether they are just new dust on top of the old, I should like to ask the President of the Council to take steps to ensure that the Ministers of Transport take a greater personal interest in the transport policy, so as to avoid the delays caused by the experts.

(Applause from the left)

**Mr Thorn.** — (F) I shall inform my colleagues of the wishes of the Vice-President of the Commission, and I know the great pleasure this will give them!

**President.** — I call Oral Question No 7 by Mr Lenihan, whose place is taken by Mr Yeats:

'Following the decision of the European Council in Rome that the Community Ministers for the Interior (or Ministers with similar responsibilities) should meet to discuss matters coming within their competence, will the Council state when this meeting will take place and what is the prepared agenda for this meeting?'

**Mr Thorn, President-in-Office of the Council.** — (F) When the Council approved a proposal to hold a meeting of the Ministers for the Interior, it did not establish the context within which this meeting should be held. It now appears that the most suitable context for discussion of the problem of terrorism is that of political cooperation.

**Thorn**

However, I must inform the honourable Member that neither the date nor the agenda has been fixed. As far as political cooperation is concerned, the preparatory work on the meeting of Ministers for the Interior or Ministers with similar responsibilities has already started.

To forestall any supplementary questions, may I add that, in my opinion, the subject is not suitable for public debate at this stage.

**Mr Yeats.** — Will the President-in-Office of the Council perhaps agree that his answer is a reflection of the apparent difficulty at Council level of making decisions about anything? The decision was taken some time ago to hold this meeting, and we still have no meeting, no likelihood of a meeting, no knowledge as to what is going to take place at the meeting.

**Mr Thorn.** — (F) No date has yet been fixed for a meeting, so this is neither the time nor place to discuss what might have been done. More specifically, I can state that contacts have been made, and I myself know that progress has been made. I might add that problems of public security — particularly coordination of the fight against terrorism — with all their political implications, are such that the governments do not want to give wide publicity to any joint action. I would go so far as to say that, in this particular case, it would for once be preferable, in fact, if the terrorist organizations became acquainted with the results of the cooperation between your nine governments, even before Parliament did.

**President.** — I call Oral Question No 8 by Mr Fletcher :

'In the opinion of the Council, which of those functions traditionally carried out by the Embassies of Member States situated in other Member States could be dispensed with, in view of all that is now being done in this field by institutions operating at Community level?'

**Mr Thorn, President-in-Office of the Council.** — (F) Independently of the fields for which the Communities are responsible, the Member States' embassies in other Member States are still, basically, responsible for all aspects of the bilateral relations between these States.

**Mr Fletcher.** — Is the President-in-Office aware that that is an unsatisfactory reply to those of us who want to see public expenditure reduced as far as possible within the Community countries? Does he know that there are about 650 senior grade A diplomatic appointments among the Member States, including 72 ambassadors, but excluding consular staff, and there are another 230 similar grade appointments in Brussels? Does the President-in-Office agree that is not the purpose of the Community to be the biggest employer in Europe and will he raise this matter with his colleagues on the Council?

**Mr Thorn.** — (F) To be perfectly honest, I wonder whether you are approaching this matter in the right way. Why has the number of diplomats or diplomatic missions increased? Not because of the Community, but because the international community has grown larger. There are now more than 140 countries in the United Nations. Consequently, since international relations are much closer than in the last century, when only two or three states had diplomatic relations at a world level, it is quite normal that there should be a lot more diplomatic missions. I certainly agree with the honourable Member that contacts between our Member States should be still closer, but this would not automatically reduce the number of diplomats. If you take a closer look, you will see that, in most of our diplomatic missions, the number of economists is rising, precisely because our trade is increasing thanks to the Community. You must not think that, because we are a Community, there is less work. I would go so far as to say that, at a time when there is talk of under-employment — even of unemployment — the existence of the Community is a positive factor, since it requires a greater number of economists.

**Lord Gladwyn.** — Would the President-in-Office not agree that the more foreign policy is harmonized or attempts made to harmonize it in Brussels, and the greater coordination there is in economic affairs, the less work there is for individual embassies in the various countries of the Community to do? Is this not a serious matter to which Mr Fletcher has drawn attention, a serious matter which might well be discussed not so much by the ministers, but by the Conference of Foreign Ministers, who have responsibility for the embassies concerned?

**Mr Thorn.** — (F) If this question refers to the activities of our embassies within the Community, you do in fact have a point, Lord Gladwyn — there is a genuine problem. As you know, it was also raised at one of the latest European Councils.

It is true that, within the Community, our embassies are becoming more and more like liaison offices — often to the annoyance of the embassies concerned. Things have gone so far that there have been demands that their name should be changed, and this is something that must be studied.

**Mr Fellermaier.** — (D) Mr President of the Council, while you have quite plausibly justified the continued existence of the Member States' embassies to handle bilateral relations within the Community, would you not be prepared to propose to the Council that, in its external relations — I am thinking here of new states such as Guinea-Bissau and Angola for instance — the nine countries of the Community should be represented by a single ambassador? This would be a clear indication that the Council is prepared to conduct a common foreign policy.

(Scattered applause)

**Mr Thorn.** — (*F*) This question has been studied by the Council, but without success. I might add that it was also studied — although this is outside Parliament's area of responsibility — by the Benelux, and there too the result was failure. These failures are not even due solely to a lack of resolve on the part of the states involved — i.e. the Nine or, in the other case, the 'Three'. As things stand, third countries to which you would like to accredit a mission would feel 'victimized' if there were any talk of a single mission; they do not want to be deprived of the variety of bilateral contacts, so as not to suffer any 'discrimination' compared with their neighbours or with other countries. They would consider that they were being relegated to an inferior rank. Such are the facts of life with which we have to contend.

**President.** — At the author's request, Oral Question No 9 by Mr Berkhouwer has been postponed till the next part-session.

I call Oral Question No 10 by Mr Gibbons :

'Will the Council state the reasons why no real progress is being made in adopting a common policy for sheepmeat?'

**Mr Thorn, President-in-Office of the Council.** — (*F*) On 18 September 1975 the Council received from the Commission a draft regulation concerning an interim common organization of the market in the sheepmeat sector for a period of two years as from 1 January 1976.

The Council found that the date contained in the Commission proposal was unrealistic and could not be adhered to. In particular, it pointed out in connection that it would be difficult for it to reach any decision on such a market organization without knowing at least the broad outlines of the type of market organization intended to follow the interim organization. Work is currently in progress in the Council, and the Commission, for its part, has undertaken to draw up a final proposal in the near future.

**Mr Gibbons.** — Could the President-in-Office indicate, with any degree of accuracy, when we may hope for new proposals for a realistic organization of the sheepmeat market?

**Mr Thorn.** — (*F*) The Council of Ministers of Agriculture discussed this problem yesterday, but did not go into great detail. Since this question features on the agenda of the next meeting of the Council of Ministers of Agriculture, you can have a more detailed reply when that meeting is over.

**Mr Scott-Hopkins.** — Will the President-in-Office agree that the position of New Zealand imports of lamb into the Community will have to be safeguarded no matter what new regime may be introduced following the Commission's new proposals?

**Mr Thorn.** — (*F*) This was discussed during the accession negotiations. It is one aspect of the problem, and one of the questions which will be discussed by the Ministers of Agriculture at their next Council meeting. You will appreciate that I cannot answer on their behalf here.

**Mr Laban.** — (*NL*) To what extent did the Council's discussions take account of the European Parliament's rejection of the original proposals for sheepmeat? Can the President of the Council give us an assurance that any proposed amendments will also be submitted to Parliament for its opinion?

**Mr Thorn.** — (*F*) This is one of the reasons my colleagues responsible for this matter called for a definitive market organization.

**President.** — We turn now the questions addressed to the Commission of the European Communities. I would ask the Commission representative responsible for the subject involved to answer these and any supplementary questions.

I call Oral Question No 11 by Mr Nolan :

'Will the Commission comment on the present situation of its proposals for a common sheep policy stating when it expects a regulation to be adopted?'

**Mr Lardinois, Member of the Commission.** — (*NL*) On this point, I can only say that the Council's efforts to establish a market organization for sheepmeat have not been very successful up till now. We are at present thinking of an arrangement for one year only, so as to gain experience with a view to introducing a definitive regulation for the following year, which could then be discussed by the Council and Parliament.

To this end, we shall be making some suggestions in a special committee on the basis of the present proposal, but for a limited period, and at the next Council meeting we hope to make some progress on this point. The difficulties confronting the Council in this sector are comparable with the difficulties we have also come up against in Parliament. Half the people want one thing, and the other half the very opposite.

**Mr Nolan.** — Has there been any change in the proposals that the Commission originally put forward, in view of the fact that Parliament at the January part-session did ask the Commission to reconsider its proposals?

**Mr Lardinois.** — (*NL*) The principal change is in fact the decision to postpone a definitive decision until next year and to introduce a temporary arrangement for only one year, so that we can gain experience for a definitive system. This is also a consequence of the discussion in this Parliament.

**President.** — I call Oral Question No 12 by Miss Boothroyd :

'When does the Commission intend to complete the current investigation into the activities of IBM ; and what proposals has it for rationalizing the various parts of the present computer industry in Europe to make the industry competitive in the world market ?'

**Mr Borschette, Member of the Commission.** — (F) Mr President, this question really involves two different factors — competition policy and industrial policy.

As far as competition policy is concerned, I am sure the honourable Member will appreciate that this is an extremely complex matter with wide-ranging implications and involving an unusual number of difficulties, particularly technical ones. It is thus too early yet to forecast when the investigation into the activities of this concern will finally be completed. As regards industrial policy, with particular reference to improving the competitive position of the European computer industry on the world market, the Commission would remind you that, against the background of the Council resolution of July 1974 on a common data processing policy, the Commission has submitted to the Council since the beginning of 1975 a number of proposals on which Parliament has already also expressed its opinion. Moreover, the Commission's departments are currently drawing up a multi-annual medium-term programme.

**Miss Boothroyd.** — Mr President, I am sure the Commission would expect me to deplore the length of time taken in making a preliminary investigation into IBM, which I think is something like two years. Is the Commission aware that with all the resources available to the United States Administration it has taken something like ten years for them to pursue the activities of IBM ? I wonder what additional resources the Commission are prepared to make available to speed up the enquiries and investigations into multinational corporations.

**Mr Borschette.** — (F) When the Commission started this investigation, it was very much aware of the resources available to the American government for the same investigation into the same concern. I therefore cannot understand why the honourable Member should be surprised that it is now two years since we started this investigation. In this field — and particularly in the case of IBM — we do not reckon in weeks or months, but almost in years. Since the IBM case is at present before the American courts, we shall probably have to wait another six years before it is finally resolved, and before I can inform Parliament of the results of this investigation.

As far as additional resources are concerned, we have used the resources of directorate-generals other than

the Directorate-General for Competition. However, I must point out that our resources are at present limited. Moreover, it is not a question of taking on just anyone, but of taking on first-class technicians, so that our staff are not at a disadvantage vis-à-vis the highly qualified engineers of IBM.

**Mr Noè.** — (I) Since the underlying objective of the honourable Member's question is to make European industry more competitive in this sector, may I ask the Commission the following : does it not consider that problems like this, involving questions of advanced technology, and other similar problems in the field of nuclear reactors and aeronautics — both aircraft and engines — should be tackled not simply from time to time and separately, but as a uniform whole, and with a single overall policy which would be based on a detailed analysis of the various sectors, so that we can ensure that these various sectoral industries are competitive in years to come ?

**Mr Borschette.** — (F) I agree completely with Mr Noè. Our efforts must be directed towards finding a formula for the European computer industry which will enable it to compete against the powerful American industry. We must use the industrial and competition policies to obtain, in Europe, not five, six or seven, but one or two computer concerns which would then genuinely be in a position to compete against the American industry.

**Mr Fletcher.** — Would the Commissioner agree that the only real criticism of IBM is its tremendous international success, and does he agree also that as IBM is the biggest computer company in Europe it cannot be excluded from whatever plans the Commission has for the European computer industry ?

**Mr Borschette.** — ((f) The Commission can take account only of facts, not of criticisms. This is why we have undertaken this investigation into the activities of IBM, which will enable us to judge whether the criticisms — particularly those relating to abuses of a dominant position — are in fact justified.

**President.** — I call Oral Question No 13 by Mr Spicer :

'Has the Commission given further consideration to the establishment of Community relief teams for service in areas of natural or man-made disasters ?'

**Mr Lardinois, Member of the Commission.** — (NL) The Commission has studied this matter again and has come to the conclusion that there is no reason for the Community to set up such special teams. We feel that we can send help to areas of natural or other disasters fairly quickly or even very quickly through existing organizations such as the International Red Cross. This applies both to food aid and to other forms of aid.



**Mr Spicer.** — I hope the Commissioner will accept that I personally find that a very disappointing reply indeed. No one would in any way suggest that it was for the Community to establish a vast new organization. Certainly we should be proud of the way in which our aid has gone in. But is it not time for the Community as such to show its face in these disaster areas, not in financial terms, or in aid through international Red Cross organizations but as a Community? The point has already been made by Mr Fellermaier this morning with regard to embassies abroad. It is exactly on those lines that the Community needs to show its face in a human fashion. Could he give an undertaking that this will be re-examined by the Commission?

**Mr Lardinois.** — (NL) I am quite prepared to report on this discussion here in Parliament and to put forward all the points Mr Spicer has raised. I can assure him that this is no empty promise — I shall ensure that there is a serious discussion of this matter in the Commission.

*(Applause from certain quarters)*

**Sir Geoffrey de Freitas.** — May we be assured that whenever Commission money is used for disaster relief, without any question of setting up duplicating organizations, that at least some credit is given publicly to the European Community for what it is doing?

**Mr Lardinois.** — (NL) I agree fully with this, and our experience up till now in this respect with the organizations with which we cooperate closely has not been at all bad.

✓ **President.** — I call Oral Question No 14 by Mr Dykes:

'Does the Commission propose to formulate a draft outline plan for the creation of a foreign affairs secretariat to serve the Council of Ministers?'

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Mr President, I should first of all like to point out that, in its report on European Union, the Commission attached great importance to developing cooperation and also presented proposals to the effect that all subjects of common interest should be dealt with by one institution. Having said that, the answer to the honourable Member's question is no.

**Mr Dykes.** — May I thank the Commissioner at least for the encouragement he gave in the first part of his answer I can assume from his answer that he also agrees that the combination of internal shocks now affecting the Community and the pressing requirements of a concerted foreign policy mean that we do really need appropriate machinery and would a fully-fledged foreign affairs secretariat, possibly located within the Commission, not be the best Community relief team of all?

**Mr Scarascia Mugnozza.** — (I) Undoubtedly, but that will depend on the circumstances.

**President.** — I call Oral Question No 15 by Lord Reay:

'Is the Commission aware of proposals currently being examined by the United Kingdom Government for large increases in the fees payable by foreign students, including those from Community countries, and does it consider any such action would prejudice freedom of movement within the Community and hence hardly be consonant with British treaty obligations?'

**Mr Brunner, Member of the Commission.** — (D) The Commission is aware of the fact that the British Government has stated that it is currently studying the question of fees payable by 'overseas students'. The whole thing has a practical aspect for us. We do not want to see freedom of movement and mobility in the Community hindered by an increase in these fees. There is also, however, a legal aspect, and this is more complicated.

The British Government takes 'overseas students' to include British nationals. 'Overseas students' means anyone who was not resident in the United Kingdom during the three years prior to the commencement of the studies. We must therefore investigate this legal aspect thoroughly to see whether there is any discrimination here. There may, for instance, be discrimination in the case of children of foreign workers. As you know, Community law guarantees equality of treatment to these foreign children who are nationals of Member States, and we are in the process of studying this aspect. We are in touch with the British Government on this matter.

Furthermore, the Council and the Ministers of Education have decided to try and reach a common position on university admission for students from other Member States, with a view to encouraging freedom of movement and mobility. I am sure that the subject of fees will also be discussed.

The Commission's objective is to ensure that freedom of movement and mobility within the Community are made easier, not more difficult.

**Lord Reay.** — I should like to thank the Commissioner for that reply, and say that I am very pleased to hear that he is very actively concerned in this matter. Would the Commissioner not agree that even if it is found not to be against the letter of the Treaties, it would nevertheless be very much against the spirit of the Community for a Member State to charge students from other Member States substantially higher fees than it charged its own nationals? And would the Commissioner not also take the view that a discrimination in charges which applied also to the students covered by the Lomé Convention would be very much an infringement of the spirit of that Convention, given its stated intention to raise the educational standards of the countries concerned?

**Mr Brunner.** — (*D*) It is in the spirit of the Treaties and the spirit of the Community to make freedom of movement easier, not more difficult. I do not think an increase in fees will make things any easier. As regards nationals of the signatory states of the Lomé Convention, it is naturally desirable that we should as far as possible open our universities to them.

**Mr Dalyell.** — Before criticizing the British Government, would Commissioner Brunner just bear in mind that I have to go home and explain to my constituents why the son of that poor migrant worker Sheikh Yamani should be educated at my constituents' expense?

**Mr Brunner.** — (*D*) I think this is easy to answer. If we in this Community declare our solidarity and treat one another as if we were nationals of the same country, we must draw the consequences from this and uphold this principle even when it may cost us money. If we do not stick to this principle, there will be very little solidarity left in the Community.

(*Applause*)

**Lord Gladwyn.** — I think the Commissioner does agree that this is probably a violation — if the fees are notably increased — of the spirit of the Community. Would he not agree also that if there is a substantial increase in fees for Community students in Great Britain, there might be, irrespective of anything else, considerable danger of retaliation on the part of other Community countries against British students in those countries?

**Mr Brunner.** — (*D*) I should like at all costs to avoid giving the impression that I was criticizing the British Government. What I said initially was that the British Government did not distinguish between British and other nationals, but treated British nationals who have not lived in the United Kingdom for three years just like foreign nationals. That is the legal aspect, and we must investigate whether there might be legal difficulties in specific cases involving the children of migrant workers.

As regards the spirit of the Treaties, it is important that, where financial consequences are involved, we do not get the situation which Lord Gladwyn described — that one country starts introducing restrictions and the other also feels obliged to impose restrictions, even if they only take the form of an increase in fees. What is true of the free movement of goods is also true here: if we maintain that we do not want any protectionism in the Community, we must also state that we do not want any protectionism in the field of education in the Community.

**President.** — I call Oral Question No 16 by Mr Dalyell:

'Can the Commission state who are their landlords at the Berlaymont Building in Brussels, what annual rent they

pay and what under the contract are the terms of notice of quitting?'

**Mr Borschette, Member of the Commission.** — (*F*) The Berlaymont Building is the property of the Belgian State. The annual rent for 1976 amounts to exactly 252 200 524 Belgian francs. As regards the period of notice, the Belgian State does not at present have the right to rescind the contract, whereas the Commission can terminate the contract at any time by giving one year's notice.

**Mr Dalyell.** — Does this not confirm to those of us who are concerned about a single seat for the Parliament, the Commission and the Council, that we are not in fact obligated to the Belgian capital, and that at least, here in Luxembourg, it is an open option?

**Mr Borschette.** — (*F*) The Commission is mobile; it can give one year's notice for the Berlaymont and then the migration can begin!

**President.** — I call Oral Question No 17 by Mr Fabbrini:

'Can the Commission confirm Vice-President Thomson's earlier statement that a congress will be held in 1976 of European regional and communal organizations as well as of representatives of EEC regions likely to benefit from financial assistance from the Regional Fund, for the purpose of an exchange of views on first experiences of the functioning of the Fund?'

**Mr Brunner, Member of the Commissions.** — (*D*) My colleague, Mr Thomson, has asked me to answer this question. On 11 March he had talks with the following five bodies in Brussels: the Council of European Municipalities, the International Union of Local Authorities, the Conference of European Local and Regional Authorities of the Council of Europe, the Association of European Border Regions and the Conference of the Peripheral Maritime Regions of the European Community. Mr Thomson will also be speaking on 26 April in Strasbourg at this year's congress of the Conference of European Local and Regional Authorities.

At the Commission's suggestion, the Committee on Regional Policy has also discussed the question of contacts to local and regional organizations, and the Chairman of this committee will be getting in touch with these organizations. We are greatly interested in developing these contacts.

(*Applause*)

**Mr Fabbrini.** — (*I*) I am only partially satisfied with the reply, since I did not quite understand whether this congress which I mentioned in my question is going to be held or not. I would recommend that the Commission give careful consideration to the need for a congress of this kind, with the widest possible participation of those regions most closely interested in the operations of the Regional Fund.

**Fabbrini**

It would also be desirable for this congress not to look only at the past, but for it to try to draw up a wider-ranging regional policy than has been applied up till now.

**Mr Brunner.** — (D) For the practical work, it is important for these contacts to continue. It is not a question of the Commission's having to take the initiative now. This is not necessary, since the contacts have already been made, and we shall develop them. What we are interested in is realistic results. We are not interested serving as a figurehead for the activities.

**Mr Ellis.** — In consultation with the governments of the nine countries and in preparation for any future congress, will the Commission prepare a definitive list of regions defining their boundaries according to criteria designed to strengthen and to emphasize their coherence and cohesion as individual natural regional units within the framework of the Community?

**Mr Brunner.** — (D) The criteria on which the Regional Fund operates are clearly defined, so the regions eligible for aid are also clearly defined. The Regional Fund's operating procedures are also laid down quite clearly. The essential thing is that the regions should be given aid, and the Commission is in contact with the regional authorities and the central governments to ensure this is done.

That is what matters — the Commission's job is not to draw the map, but to help the regions.

**Mr Herbert.** — Would the Commissioner not agree that there should be more direct involvement by both local and regional authorities in the formulation and implementation of EEC regional policy, as some Member States may in the past have misdirected their fund allocation and in so doing deprived their neediest regions of this much-needed aid?

**Mr Brunner.** — (D) The first projects under the Regional Fund are only now being implemented. We are thus still in an initial phase, and my colleague, Mr Thomson, wants to see first of all how the whole thing operates. He is in touch with the regional authorities and he has also considered whether it might in due course be advisable to hold a major meeting with them. He feels, however, that he must first of all gain practical experience, since otherwise there will be a doctrinal argument instead of practical and useful action to help the inhabitants of the under-privileged regions.

**Mr McDonald.** — I take it that the Commission have not changed their view that the administration of regional aid should remain mainly with the national administration. At the same time, I hope that the Commission would agree that in order to ensure

greater Community understanding of the vast differences between the problems in the various regions, we should have some formal system of bringing the people from the poor regions together so that they may, in their own difficulties, appreciate the difficulties of other less fortunate areas.

**Mr Brunner.** — (D) The time for such a move may come. The door is at present wide open for those local and regional authorities interested in our projects. However, that does not alter the fact that we are a Community of Member States. What we want, as I said, is to achieve something practical. There are no differences of opinion between the governments of the Member States and the regional and local authorities on these specific points. Nor do we want trouble — we want to help wherever we can.

**President.** — I call Oral Question No 18 by Mr Prescott:

'Will the Commission investigate the allegations made by the American Senate Committee that American aerospace companies made payments to companies, organizations and individuals within the EEC to influence decisions to purchase American aircraft in breach of the Rome Treaty obligations?'

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) Any corruption which may have taken place in the context referred to by the honourable Member is a matter for the national courts, and is in any case not covered by the Treaties of Rome. The answer must therefore be no.

**Mr Prescott.** — Is the Commissioner aware that American multinationals are increasingly dominating our aircraft industry, that 70 % of the financing is by public contract and that these allegations reveal that large sums of money are being paid to political parties, particularly the Christian Democrats in Germany, with a corresponding influence on decisions? Will he assure us under Article 14 of the Competition Law that he will thoroughly investigate these charges, and has he any other further information on future disclosures of payments by multinationals to political parties in other Community countries?

**Mr Scarascia Mugnozza.** — (I) The facts are certainly deplorable. However, I do not think we should start accusing any one party, since all parties could be involved in situations like this.

*(Protests from the extreme left)*

In any case, the government of the United States has stated that it is prepared to make available to the Member States the relevant documents. I think there should be a detailed investigation to see exactly who are the corruptors and who the corrupted.

**Lord Bruce of Donington.** — Mr President, is the Commissioner aware that his answer to my honourable friend's question is thoroughly unsatisfactory? Is he aware that the practices that have been revealed by the American Senate Committee disclose that there is widespread bribery over whole areas of trade, in particular the aircraft industry within the European Economic Community? And is he further aware that it is not merely the legal and criminal side of it that is involved here? These practices are a gross breach of internal Community competition law, and it should be for the Commission to initiate the enquiry; otherwise the impression will be widespread in Europe that it is not the most efficient firms that compete with one another within Europe, but the firms that can bribe the most.

*(Applause from the left)*

**Mr Scarascia Mugnozza.** — *(I)* The question concerned corruption, and the competition aspect only came up later. I feel I must point out that I referred in my answer to other parties only because the previous speaker had referred to my party. I do not think that is proper Parliamentary behaviour.

*(Protests from the left)*

As far as the competition aspect is concerned, the Commission of the European Communities will do everything necessary to ensure that the problems of competition are given detailed study.

**President.** — Mr Scarascia Mugnozza, I feel that, like me in my position, you have no party in the position you occupy.

*(Applause from the left)*

At any rate, discussion of this question must not be allowed to lead to a confrontation between the political Groups. I have no choice but to choose only some of the large number of Members who still wish to speak on this question.

**Mr Fellermaier.** — *(D)* Mr Scarascia Mugnozza, I must ask you to state quite clearly in this House that you are here not as a representative of any party, but as representative of a collective body, to give pertinent answers to pertinent questions.

*(Applause from the left)*

**Mr Scarascia Mugnozza.** — *(I)* Mr President, I agree with you that we must be independent of the Member States in the exercise of our functions. However, this does not mean that I have renounced my political beliefs, just as you, Mr President, have presumably not renounced yours.

**Mr Fabbrini.** — *(I)* I wish to protest against Mr Scarascia Mugnozza's statement that all parties might become, or might be, involved in scandals of this sort

*(Signs of approval from the Socialist Group)*

As for my party, I can assure the House that not only is it not involved — it never shall be.

*(Applause from the left — Loud laughter)*

**Mr Klepsch.** — *(D)* Mr President, may I ask Mr Scarascia Mugnozza whether he will confirm that Mr Prescott's claim that the German Christian-Democrats have in some way been implicated in the investigation by the committee of the American Senate is libellous? There is absolutely no indication of this, and we would in fact be extremely grateful if the Senate committee made all the documents available. Mr Scarascia Mugnozza's remarks just now might then not receive the applause from various quarters which they have just been given.

So much for my personal comments, but I would also like an answer to my question whether Mr Scarascia Mugnozza can confirm that the investigation by the Senate committee has not as yet produced the slightest grounds for Mr Prescott's libellous statement about the German Christian-Democrats?

*(Applause from the centre)*

**Mr Scarascia Mugnozza.** — *(I)* The Commission of the European Communities clearly cannot give a reply referring to one specific party.

I was simply referring to the moves currently in progress between the governments concerned, and to the agreements which have already been reached between Italy and the United States, and between Japan and the United States, and which, it appears, may also be reached with the other countries involved, so that this matter can be thoroughly investigated.

I think it is in the political interests of all parties and all honest people that there should be a thorough investigation and that the corrupted and the corruptors should be punished.

**Lord Gladwyn.** — Would not the Commission accept that unless the Council of Ministers can agree on the very sensible proposals contained in the Spinelli report regarding the organization of a European aircraft industry, the American aerospace companies are likely to collar the entire European market in the near future, whether they indulge in bribery or not?

*(Applause from certain quarters)*

**Mr Scarascia Mugnozza.** — *(I)* Lord Gladwyn's assumption may well be right, but I think the problem extends to all the multinational companies.

**President.** — I call Oral Question No 19 by Mr Hamilton:

'What steps have been taken to formulate a common European policy on attitudes to Rhodesia and South Africa?'

**Mr Brunner, Member of the Commission.** — (D) The Heads of State and Government discussed this matter in the European Council. Strictly speaking, it is not for the Commission to comment on this aspect of political cooperation, but I should like to say that we nevertheless regard it as an important step on the part of the Heads of State and Government. The Heads of State and Government and the Foreign Ministers adopted a clear stance on the problems of South Africa and Rhodesia. In particular, they stated that they would give their full support to the United Nations' measures on Rhodesia, so that these would also have a political effect. The Commission's views are the same.

**Mr Hamilton.** — Many of us will welcome this minor success, probably the only success of the Heads of State last week, but will the Commission take steps to ensure that words will be matched by action, especially in the stringent implementation of sanctions against Rhodesia as advocated by the United Nations, especially in view of the fact that there are EEC Member States in flagrant contempt of these sanctions and have been for years? Will the Commission take very active steps to see that every single Member State matches the words uttered last week with their actions, so far as sanctions against Rhodesia are concerned, and supports the implementation of the principles of democracy and majority rule as early as possible in Rhodesia?

*(Applause from the left)*

**Mr Brunner.** — (D) There must be no doubt as to the Commission's views on this matter. The Commission will do its duty on any occasion when the application of sanctions in any way affects the common market of our Community. In such cases, it will consult the Member States involved. However, it must also be made quite clear that each Member State, as a member of the United Nations, has a duty of its own to comply with the United Nations' sanctions and other measures — and that is primarily a duty of the Member States, not of the Commission. The Commission can only act if there are consequences in our Community. You may rest assured that the Commission will act in accordance with its statements.

**Sir Derek Walker-Smith.** — Will the Commission do all in its power to bring about, and to urge the Council to bring about, the withdrawal of Cuban mercenaries from Southern Africa as a means of promoting harmony and well-being in that area? Would it also make it clear that economic aid and economic activity by the Commission will depend on an abstention from all forms of violence and terrorist activity?

*(Applause from the centre and from the right)*

**Mr Brunner.** — (D) The Commission's aid measures are in strict conformity with the guidelines laid down

by the Council, and the Commission will in no case overstep these guidelines. The Council of Ministers has also adopted a clear stance on the problems of Angola within the context of political cooperation. There is no need for the Commission to do anything here, since the Council's attitude is quite clear — there must be no outside intervention, in any form whatsoever, in Africa. The Council is determined to take all possible steps to avoid such a development.

**President.** — I call Oral Question No 20 by Mr Kavanagh :

'Is the Commission aware of, and does it intend to investigate, any discriminatory rules or measures relating to the importation of Irish-bred horses by other Member countries of the Community?'

**Mr Lardinois, Member of the Commission.** — (NL) We have no indications at all that there is any discrimination in the importation of Irish horses by the Member States. The Commission is, however, aware that, as regards the importation of horses in general, the various countries have veterinary and other extremely complicated regulations which are anything but harmonized.

**Mr Kavanagh.** — Does the Commission have any knowledge of measures or rules of national horse-show associations or similar organizations which discriminate against foreign-bred horses for jumping, dressage and other events, either by limiting certain categories to nationally bred horses or excluding foreign horses altogether from certain events either at these national horse shows or local horse shows? Is it not obvious that such practices discourage potential buyers from purchasing from other Member States in the Community? Would the Commission enquire into these local practices?

**Mr Lardinois.** — (NL) I feel this is rather a round-about way of proving discrimination. However, I shall not comment on this point, since these shows and races have very little indeed to do with the Common Agricultural Policy as such. I shall have to see whether this question can be dealt with by the Commission Member responsible for recreation, or whether it will after all have to be investigated by the already over-worked departments of the Directorate-General for Agriculture.

**President.** — I call Oral Question No 21 by Mr Noè :

'Does the Commission not consider that a proposal for the establishment of uniform landing fees at the various Community airports would be a first step towards demonstrating the will to achieve a common air transport policy?'

**Mr Scarascia Mugnozza, Vice-President of the Commission.** — (I) As Mr Noè is well aware, the landing fees vary from one airport to the other. However, if these fees were standardized, they might be 'standardized' upwards, with unfortunate results. When considering action in this sector, we must also take full account of the role of the airports in neighbouring, non-Community countries, and of the role of the European Association of Western Airports and of the European Civil Aviation Conference, as well as of the fact that questions involving landing fees are dealt with by the International Civil Aviation Organization. I might add that, if the Commission's proposals on air transport policy are accepted, landing fees will be one of the points included in the concept of airspace.

**Mr Noè.** — (I) Does Mr Scarascia Mugnozza not think that this standardization might be an initial step — an easy one at that — and that the standardization need not necessarily be upwards? Moreover, many airports are in difficulties because of inadequate landing fees which prevent their improving their own facilities, and the result is a disequilibrium in this European service which we should be trying to raise to acceptable levels.

**Mr Scarascia Mugnozza.** — (I) As Parliament is aware, the Commission is examining the possibility of putting forward proposals aimed at implementing an aeronautical policy, with particular regard to air transport. The problem is under study, and I hope that the outcome will be favourable so that we can put forward such proposals.

**President.** — At the author's request, Oral Question No 22 by Mrs Kellett-Bowman has been postponed until the May part-session.

I call Oral Question No 23 by Mr Howell:

'What progress has been made in devising an appropriate test for the bread-making quality of wheat?

**Mr Lardinois, Member of the Commission.** — (NL) Considerable progress has been made in this field, and the experts from the nine Member States have now agreed on a method. The Commission is cooperating with various laboratories in the Community to make this method as uniform as possible for the different strains of wheat grown in the Community. We hope to be able to provide definite information within about a month.

**Mr Howell.** — Is the Commissioner aware of the considerable concern which is felt in Britain at the delay in this test being perfected, especially as we have no previous experience of intervention buying? The concern is especially felt by small producers who desperately want to know more about this test, such as how many centres there will be in Britain, whether there will be on-farm testing and what will be the minimum amount of wheat that can be tested.

**Mr Lardinois.** — (NL) I am sure we shall be able to give a clear answer to all these questions long before the harvest.

**Mrs Dunwoody.** — Is the Commissioner not aware that to bring in a policy of this kind, which will in fact have quite a major effect, without having worked out the tests which he intends to apply, is really not good enough? This is regarded by most of the farming communities in Britain as a totally unsatisfactory situation. If we are to wait yet another month we will then have had this policy already in operation in theory for a considerable number of weeks, without any concrete evidence of the sort of tests that are to be applied. If this is the way things are going to be organized in future inside the CAP, I have no doubt there will be very, very considerable unrest among the farming communities concerned.

**Mr Lardinois.** — (NL) This test must be introduced in time for the next harvest. No soft wheat is harvested in the Community before July, and most of it cannot be harvested until about August. We had the choice between postponing the test for a year or developing it in time for this harvest. We felt we had to choose the latter course, particularly since, if we had postponed it, production of poor-quality wheat unsuitable for bread-making would increase still further, and this might have serious consequences for — among other things — the EAGGF. I think I am right in saying that you, too, are always greatly concerned about the EAGGF. We shall take steps to ensure that the farmers and agricultural organizations etc. are fully informed of all details of the arrangement in time for the next harvest.

**Lord Walston.** — Can the Commissioner give an assurance that the benefits from intervention buying of wheat of breadmaking quality will in fact find their way into the pockets of the farmers and will not be absorbed in transit by the merchants or any of the other people coming between the farmer and the ultimate user?

**Mr Lardinois.** — (NL) The intervention regulations apply not just to the farmers, but also to those who buy cereals from the farmers. No other system is possible in view of the prevailing structure of European agriculture.

**President.** — Question Time is closed. I should like to thank the representatives of the Council and the Commission for their replies.

Questions Nos 24, 25, 26, 27, 28 and 29 will be answered in writing<sup>1</sup>. Question No 26 has been withdrawn.

<sup>1</sup> Cf. Annex.

8. *Decision on urgency and inclusion in the agenda of two motions for resolutions*

**President.** — I consult Parliament on the adoption of urgent procedure for the motion for a resolution on elections by direct universal suffrage to the European Parliament (Doc. 45/76).

The adoption of urgent procedure is agreed.

Parliament could deal with this motion for a resolution after the second part of the debate on the statement which Mr Thorn is about to make.

Are there any objections?

That is agreed.

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution on the protection of the rights of the individual in the face of developing technical progress in the field of automatic data processing (Doc. 46/76).

The adoption of urgent procedure is agreed.

The debate on this document could be taken as the last item on the agenda.

Are there any objections?

That is agreed.

9. *Statement by the President-in-Office of the European Council on the meeting of the European Council*

**President.** — The next item is the statement, followed by a debate, by the President-in-Office of the European Council on the deliberations of the European Council, which met in Luxembourg on 1 and 2 April 1976, and particularly on the election of the European Parliament by direct universal suffrage.

I call Mr Thorn.

**Mr Thorn, President-in-Office of the European Council.** — (F) Mr President, in keeping with an undertaking I gave at the last part-session of the European Parliament, I am here to inform you of the conclusions reached by the European Council which met a few days ago in Luxembourg.

The main items discussed at that meeting were firstly the *economic, monetary and social situation* in the Community, secondly *elections to the European Parliament* by direct universal suffrage and finally *Mr Tindemans' report* on European union.

It had been agreed prior to the meeting that we would consider the economic and social situation, i.e., in the economic field, the problem of inflation, and in the social field, the problem of unemployment.

Following Recent monetary events, the President of the French Republic asked that monetary problems be added to the list — incidentally certain newspapers exaggerated the implications of this proposal — and that this question should be discussed *first*. This was in fact done but, I repeat, we did not, contrary to what

many have said, give priority to them or allow them to take the place of other topics. We merely supplemented the discussion of the economic and social situation with a consideration of monetary problems, which took place *first*.

After detailed discussion of the *general situation*, the European Council noted that there were signs of economic recovery, for industrial production at least, and recorded its satisfaction at the start made with the efforts to fight inflation.

The European Council was unanimous in emphasizing its determination that the work of achieving economic and monetary union should progress despite the very serious difficulties currently being experienced. For all the members of the Council, economic and monetary union remained the Community's aim at present, at it had been in the past and would continue to be in the future, with a single currency as the ultimate goal. However, this will, I admit, doubtless take a long time — a generation in the opinion of certain delegations — to bring about. The main thing is that, in the trough of the wave, despite the current difficulties, there was unanimity in stating that we should continue our efforts to progress towards economic and monetary union.

The European Council also voiced the concern of the Heads of Government at the persistent unemployment, including structural unemployment, in most of the industrialized countries of the world. The Member States of the Community would here continue to take and extend appropriate action. The European Council noted the Commission's intention of submitting to the Council in the very near future its suggestions for the convening of a second Tripartite Conference involving the Council, the Commission and both sides of industry before the summer, in either June or July. I personally expressed the hope that it could be held before the end of the Luxembourg Presidency, i.e., by the end of June, and if possible in the second half of June.

The European Council also noted with interest the opinion of the Economic and Social Committee on unemployment and the statement by the European Trade Union Confederation. As you may know, the day before the European Council I was approached by the latter, which asked me to do my utmost to ensure that the Conference took place as soon as possible and warned against the dangers of putting it off until October. The Trade Union Confederation will doubtless be pleased to learn today that its request was approved, since all the Heads of State and Government also felt that the Conference should be held before the summer recess, as a matter of urgency.

As you are aware, ladies and gentlemen, the Commission has submitted an economic and monetary action programme to the European Council. This

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programme was indeed discussed by the European Council. However, I would stress that — as the Commission itself put matters — it was not intended that the European Council should itself take immediate decisions here, but rather that it should lay down joint guidelines, the substance of which would be for the Council to examine. At the end of the Commission document we read: 'We ask the European Council to lay down guidelines and to take certain decisions of a procedural nature'. This was in fact done and it is therefore incorrect to say, as some have said, that the Commission document was not adopted: it is obvious that the above document and the detailed proposals it contains need to be discussed at length by the competent Council of Ministers and the Commission. I would even wager that one Council meeting will not be enough in order to adopt a document which I personally am pleased has been submitted and on which I congratulate the Commission. As requested by the Commission, we forwarded its proposals to the Council of Ministers, though we were not able to meet its request to provide a unanimous guideline from the European Council on every point. But each delegation voiced its views and specified the points which it approved, those it had reservations about and those on which it wanted clarification.

At any rate, they all agreed unanimously that the document should be immediately referred to our Economics and Finance Ministers, who will meet again before the end of the month to perform the task entrusted to them by the European Council.

The European Council recognized the need for each Government to discipline itself as regards the money supply, budget deficits, production costs — including incomes — and the balance of payments. Stringent measures should, it felt, make a real contribution to bringing economic policies closer together. In this connection I would add that one of the things that surprised me most was that these four guidelines regarding the need for discipline were four unanimously. I sincerely hope that this unanimity will remain intact during the discussions on points of detail.

On the other hand, the European Council did not at any time discuss recent monetary developments or monetary mechanisms as such. There was no talk of the possibility of reintegrating the snake, as reported by certain newspapers.

Another major topic of discussion at the meeting of the European Council was the *Tindemans Report*, on which the Council held a first exchange of views. On behalf of my colleagues, I can tell you that not a single delegation had any complaints about the substance or tenor of the report. On the contrary, everyone appreciated the fact that the Belgian Prime Minister had made no attempt to shun practicalities or to be a visionary and that, whilst keeping a firm grip of reality, he did not neglect the horizons of the end of this century.

Just one more word in the procedure on which we agreed for the purposes of the follow-up to the Tindemans Report. You will recall, ladies and gentlemen, that the European Council asked one of its members, Mr Leo Tindemans, to draw up a report. It was therefore obvious and logical that at that stage the Council should remain in charge of the operation and reserve the right to examine the report it had had drawn up. But since the European Council could not examine the Tindemans Report in detail, as everyone will understand, it instructed the Ministers for Foreign Affairs who have, moreover, had the opportunity for some time now of meeting at the Summits and in particular now at the meetings of the European Council to do this. It will, therefore, now fall mainly to the Ministers for Foreign Affairs of the Community to examine the Tindemans Report, with the object, I must emphasize, not of submitting a report on a report, but of using it as a basis, as far as possible, for making specific proposals and thus paving the way for the discussions and decisions of the European Council or the competent Councils of Ministers. The European Council has set a deadline and decided that consideration of the Tindemans report must be completed by the end of this year.

In addition to these topics and the question of the elections, which I shall discuss in a few moments, we examined three other items. The Council adopted a statement paying tribute to our illustrious doyen, Mr Jean Monnet, who played a role of prime importance as a driving force behind the Schuman plan, first President of the High Authority and founder of the Action Committee for a United States of Europe.

The European Council also adopted a declaration on the occasion of the entry into force on the Lomé Convention, and a declaration on Rhodesia which was published by the press.

Moreover, outside the official framework of the meeting of the European Council we discussed, sometimes in great detail, a large number of the world's current political problems. I cannot, however, give any details here about these behind-the-scenes conversations.

You will have noted, ladies and gentlemen, that the task of giving an account of a meeting is even more difficult for the Chairman of the European Council than is the case for the President of the Council of the European Communities. The reasons for this are in large part in the nature of things: in the European Council, discussion — often in hyper-restricted session — on a number of problems of prime importance is the rule, problems which, precisely because of their complexity — and of the responsibility of those discussing them — are not spelled out in detail beforehand and do not always call for immediate conclusions.



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I sincerely think we should rid ourselves of the peculiar notion that the European Council, which was severely criticized — and often rightly — when its establishment was first suggested should act as a substitute for all the other institutions. Being informed politicians, the Heads of State or Government well known that this is not possible, nor do they lay any claim to supersede any institution. I wish that our colleagues in the Councils of Ministers would also realize this and take decisions in areas which come under their responsibility instead of referring them, as too often happens, to the European Council.

This much being said — and availing myself of the freedom and candour which you were good enough to accredit to me under other circumstances — I will not go so far as to claim that in the European Council the Community has now found the impetus-giving and guiding body of which it has the greatest need and a need which increases daily. Personally I feel, like some of the Heads of State or Government, that the European Council has by no means found its true equilibrium. Firstly, I must say, at the risk of making them blush, that nine Heads of State or Government do not meet at a date agreed on a long time before to discuss questions relating to problems of immediate concern to every citizen, such as inflation or unemployment, or problems directly related to the construction of Europe, such as the election of your Parliament by direct universal suffrage or the Tindemans report, without giving rise to justifiable expectations on the part of the public and of your Parliament, which represents that public. And I regret that certain Heads of State or Government are still so surprised to learn that essential decisions and results were expected of them. I hope that the reactions of the public after the last European Council will make everyone realize at least that these nine Heads of State or Government cannot meet without the whole of Europe being entitled to expect progress, and even decisions from them in certain vital areas.

Then there is a point which I have constantly brought to your attention since the beginning of this year: the advancement of the work of the Community is not solely the responsibility of the Heads of State or Government (indeed I think that the large majority in the European Parliament have never wanted and will never want this to be the case). The fact that they personally tackle some of the major problems does not exempt Parliament, the Council and the Commission from doing their own work. We cannot go on much longer expatiating on general concepts, theological discussions and squabbles about areas of responsibility, when we well know that saving the Community — and that is what we are talking about — depends, firstly, on preserving things which have been hard won and which must be called in question, despite the difficulties that they may currently involve, and, secondly, on pressing on with a job which is often devoid of obvious glory or immediate prestige.

The Community which we are trying every day to build, and which has never reached the point of no-return, is a new type of society. It is neither an alliance of large, medium or small powers, nor an institutional experiment. It consists first of all in the pooling of a number of real and specific interests, and secondly in the slow, patient and difficult search for a road ahead.

All this being so, the complaints which have been made about the European Council's failure to publish a communiqué at the end of its proceedings strike me as somewhat irrelevant.

I now turn to the question of the election of the European Parliament by universal suffrage.

Although it proved possible to solve various problems outstanding prior to the Council meeting, I must of course point out, to my great regret, that the most important one, that of the distribution of seats, remained undecided. However, I am happy to say, before discussing this matter in depth, that it emerged clearly from the exchange of views on this problem — and I deliberately emphasize this fact, since the press did not do sufficient justice to it — that all the Member States showed a willingness to uphold and confirm the decisions taken in Rome and, in particular, the decision to elect the members of your institution in May/June 1978. You will recall that before this European Council, doubts had been expressed in many quarters about their willingness to do this. Let us look at the positive side of things too: not one delegation came out against holding these elections; on the contrary, each of them stated that it intended to make every possible effort to ensure that they were held in May/June 1978.

I thus come back to the only major problem which remains outstanding, that of the distribution of seats. Owing to the difficulties encountered in the search for a solution to these problems, and the obvious reluctance to make any amendments to the Treaties — I think those were his motives — the President of the French Republic proposed an alternative solution to the four solutions already proposed.

This solution would consist in retaining the present distribution of seats for the first election. This suggestion, while it has the advantage of not deviating from the familiar system which has hitherto been accepted by everyone, was nevertheless received with certain reservations, due in particular to the internal electoral problems which it would be bound to involve. Moreover, some felt that the formula proposed was difficult to reconcile with the need for a Parliament elected by universal suffrage to have a new political impact.

Several Heads of State or Government, therefore, while showing real interest in this suggestion, indicated their preference for a proportional system of the type proposed by this Parliament, or for an even more strictly proportional system ensuring adequate representation for each of the countries, whether large, medium-sized or small.

### Thorn

Consequently, after discussing the matter, the European Council requested the Council of Ministers to re-examine this problem and to attempt to reach an agreement, two delegations having requested a period of reflection.

As part of their consideration of this problem, the Council was requested to examine all suggestions made. It is not true, as some would seemingly have us believe, that it was asked to examine only the final proposal, the one made by the President of the French Republic. No, in its search for a solution, the Council of Ministers will have to take account of all the proposals made, including — in chronological order — that proposed by the European Parliament and the latest one put forward at the European Council by the President of the French Republic.

The European Council agreed that it was in any case necessary for a final decision to be taken at the next meeting of the European Council in July, unless, as it hoped, the Council of Ministers succeeded in reaching one before that date. If, therefore, the Council of Ministers is not able to reach agreement by July, the European Council will have to take a final decision on the matter before the summer recess.

As you will recall, the European Council had agreed at the Rome meeting that voting would have to take place on the same date in all the countries. Each of the participants agreed provided that this date was set by him. However, it became evident that it would be necessary to make allowance for various national practices, such as the fact that some Member States can organize elections only on certain days, and that the possibility of two-stage voting should not be excluded, although ultimately it was not approved by any of the delegations. The European Council therefore agreed that the elections would have to be held in the period between Thursday morning and Sunday evening. Failing an agreement on a particular day, the Council had to opt for a period including a non-working day, a weekday and, for our British friends, a Thursday. It proved very difficult to avoid including a Monday.

*(Laughter)*

The solution approved implied the need to ensure that premature publication of the results in one of the Member States should not influence the voting in any of the Member States where elections were to be held later. The Council therefore unanimously agreed that the ballot boxes should not be opened and counting of the votes should not commence before voting ended in the last ballot on the Sunday.

The introduction of the act relating to the elections will most probably require a number of implementing provisions, as you yourself said, Mr President, during our meeting together. The European Council felt that for the purposes of adopting these measures it would be necessary to institute a procedure based on the conciliation procedure: this the Council, on a prop-

osal from Parliament and after consulting the Commission, will adopt these implementing arrangements after seeking an agreement with Parliament in a conciliation committee.

I know, ladies and gentlemen, that a certain amount of disappointment was expressed in your institution because the principle of co-decision which you wanted to see approved was not included in the texts.

I must remind you, however, that it will indeed be the aim of such a conciliation procedure — and my colleagues confirmed this last Friday — to arrive at an agreement between Parliament and the Council and that the will to reach such an agreement in a field to which you attach so much importance will certainly be very strong.

I for my part will now do everything in my power to ensure that the Council comes up with a solution to the problems left unsettled. Indeed, I mentioned them at yesterday's ministerial meeting at which I got my colleagues to agree that the agenda of the next meeting of the Council of Foreign Ministers on 3 May should include consideration of the problems of the distribution of seats, which is a political problem requiring a political solution.

I appeal to all the governments to try to take a decision on this question in their national cabinets by 3 May so that a solution at Foreign Minister level can be found at the beginning of next month. In the meantime, the technical work — for there is still some to be done — will be continued with a view to putting the final touches to the draft act, in order that when we have succeeded in reaching agreement on the points on which we still differ it will be possible to finalize the legal text immediately.

In conclusion, I can assure you not only that I am determined that we should succeed, but also that, despite all our ups and downs, there is a reasonable hope that we shall do so provided that the public and you yourselves bring pressure to bear on all those who are responsible for taking a decision.

Mr President, ladies and gentlemen, you will understand that my task was not an easy one. I have tried to do my duty, especially with respect to my colleagues.

*(Applause)*

**President.** — I thank the President-in-Office of the European Council.

Despite our disappointment at the outcome of this meeting of the European Council, the simple fact that it took place despite the difficulties in which certain governments found themselves, certain results which it achieved regarding the election of Parliament and the undertaking which was given to keep this question permanently on the agenda of the next meetings of the Council of Foreign Ministers, are all compelling reasons for us to thank Mr Thorn for the part he has played in this matter.

I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** Mr President, the Commission has a few comments to make, and this will inevitably mean some repetition, which I shall endeavour to keep to a minimum. First of all, a few remarks concerning the discussion on economic and monetary questions and the outcome of this discussion.

It was emphasized that, particularly after the troubled times we have experienced in recent weeks on the monetary front, every effort must be made to continue progress towards economic and monetary union. As the President-in-Office of the Council has already said, we did not get bogged down in superficial, short-term considerations, but clearly recognized and declared that this is a long-term objective, which must, however, be worked for continuously.

Particular attention was also given to the prevailing economic situation, both in the Member States and at international level, and it was apparent from the available data that both within the Community and internationally economic recovery has started; at the same time, however, it is clear that there are certain dangers to be avoided that could threaten this recovery. Attempts to take protectionist measures were recognized to be among these dangers; the European Council saw a second one in the fact that the economies of the Member States were developing along divergent paths in respect of important basic features. This point was discussed very thoroughly on the basis of material provided by the Commission and also, more particularly, of important statistical findings, and it was agreed that we must do much more to achieve convergent economic policies and reinforce prior coordination.

This was the general consensus. It can be seen, then, that the legal basis for this has already been created by the Treaty and by numerous decisions of the Council. Moreover, the structures for ensuring this convergence and coordination are also in existence, i.e. the Council and special committees such as the Monetary Committees, etc. The political will to bring about this convergence and coordination was expressed very clearly by the European Council. I can only add here that this then needs to be actually put into practice. That, Mr President, is the crux of the matter. All the legal and technical conditions and all the declared intentions in the world will be of no use if we do not take seriously the principles recognized here and put them into practice.

The Commission presented its opinion on this subject most forcefully. In particular, it pointed out that we must put a stop to the process of economic divergence, that we must reverse present trends and bring our national economies closer together. To do this, as the President-in-Office of the Council has already pointed out, there must above all be greater discipline in monetary and credit policy, greater discipline in

budget policy, particularly with regard to deficits, greater discipline with regard to cost developments in our economies, especially in view of the necessity of maintaining our competitiveness in world markets, and also greater discipline with regard to the balances of payments.

The European Council reached no conclusions or formal decisions in this area. The Commission nonetheless regards the reaction to its proposals and guidance as a clear basis for assuming that, as far as their respective governments are concerned, the Heads of State and Government will in fact draw the necessary conclusions with regard to the meetings of the Council of Ministers. The Finance Ministers are already to consider this problem at their meeting on 26 April, on the basis of further proposals from the Commission. You may rest assured that the Commission will make every effort to achieve concrete results.

This Finance Ministers' meeting will also deal with another important subject that the European Council discussed at some length, namely the problems of employment and unemployment. This was discussed in detail and will have an important place on the Finance Ministers' agenda on 26 April. It will, however, also be a particular subject for discussion at the tripartite conference of government and employers' and workers' representatives, which the European Council once again declared to be of great importance. In the Commission's opinion this conference can be held before the end of June, i.e. within the period mentioned just now by the President-in-Office of the Council.

Intensive discussions with governments and both sides of industry, based on the Commission's proposals, have been going on for some weeks, and I am sure that we shall have a special opportunity to discuss the detailed points thoroughly here. Therefore I shall say only that the principles proposed for these discussions by the Commission have a special and important aim in view, that of achieving a common strategy in the Community for full employment and stability with the active cooperation of all political, social and economic forces.

It is this aim — a common strategy for full employment and stability — that we want to give particular attention to at the Tripartite Conference.

A brief word from the Commission on the question of direct elections to the European Parliament. The declaration by the European Council in Rome in December 1975 gave rise not only to hopes and expectations but also to considerable political activity, e.g. cooperation between parties and the linking together of parties on a European scale. These activities must be continued and intensified. Therefore the Commission expects a decision from the Council of Ministers in the near future on the remaining questions, so that it will not be necessary for the European Council to

### Haferkamp

deal with this point again in July and the requisite legal and technical conditions can be created in sufficient time to allow the 1978 election date to be met.

In conclusion, one quite general observation. Mr President, the Heads of State and Government will certainly need support and encouragement, perhaps even prompting, in their respective national parliaments, towards more rapid and tangible progress. Perhaps a concerted parliamentary campaign originating in this House today could be an important contribution.

*(Applause)*

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

**Mr Stewart.** — Mr President, you told us that Mr Thorn had done his duty to this Assembly and to his colleagues. He has indeed. He always treats this Parliament with respect and his speech had the clarity and the candour which we have always come to expect from him. At the end of his speech nobody could be in doubt as to what the European Council had done and perhaps still more, what it had not done. We cannot complain after Mr Thorn's speech that we are left in doubt. We and the world were left somewhat in doubt when the ministers first dispersed, but we know where we are now.

Now, I speak, Mr President, on behalf of the Socialist Group, but I think I shall be expressing a view that is held more widely than in this Parliament, when I say that there is a feeling of profound disappointment about the recent meeting of the European Council. After all, what is the European Council supposed to be for? At first, it was a kind of extra, unofficial but important addition to the recognized institutions of the Community. Mr Thorn said that some people had feared that it might replace the institutions of the Community. I do assure him that after what has recently happened, it is not that fear that anyone is entertaining. It is rather the fear of whether it is going to take any place at all. I have never been opposed to the emergence of the European Council. It seemed to me unavoidable, in view of the important questions that have to be discussed in the Community, that it would be right and useful, from time to time, for heads of government to come together.

But for what purpose ought such a body to meet? Well, I would suggest, first of all, they can perform the task which nobody but Heads of Government can perform of giving the final seal of approval to some project which is already well advanced but where there are loose ends to be tied up, and a final stamp to be given. There was one topic to which those considerations exactly applied at this recent meeting. That was the topic of direct elections to which I will make only this one brief reference, since it is to be the subject of a general debate. But here exactly was a case, where there was nothing to do but tie up loose ends and give a final seal of approval, such as only heads of govern-

ment could do. And what do we find? Apart from a few details that any group of civil servants could have settled, we are no further forward than we were in Rome, and the one major loose end — the allocation of seats — is now a bit looser than it was before, and a little more complex for the foreign ministers to tie up.

Next, a European Council can be useful to break deadlocks. When, at the ministerial level, it has not been possible to reach agreement between finance ministers, foreign ministers and so on, there is a case for calling in Heads of Government to break deadlocks. The same is true when damage has occurred to the progress of the Community and it is felt necessary to invoke the highest authorities. Now there has been some damage to the Community as a result of what has been happening with regard to the Snake, but I understood from Mr Thorn that the Council, having taken a quick look at the Snake, decided that they would not proceed to try and charm it at this particular meeting. The function of repairing damage was put on one side.

Now what about the function of breaking deadlocks and the still more important function — and in my judgment this ought always to be regarded as the chief function of the European Council — namely giving encouragement and pointing the way? If the other institutions find themselves tied up in detail, it is the job of prime ministers to say quite boldly. 'We do not settle all the details, but we do indicate to you the way in which these could be solved; we set down guidelines'. Now how far did the Council get in performing those functions when it came to examine the state of the economy and the problem of unemployment? Mr Thorn told us that they examined the economic situation, that they took note of signs of a new start, and expressed their determination to build up economic and monetary union, and that remained the firm aim of the Community. But once again, this adds nothing whatever to what has been said already. We know that in fulfilling the aim of building up economic and monetary union there are formidable difficulties, but I think it is fair to say that you may search the deliberations of the Council, if you are a minister in any national government, in vain for any indication of how the Council think the national difficulties which stand in the way of economic and monetary union might be removed.

On the question of structural unemployment, the Council laid down measures which ought to be pursued by Member States, and there appears to have been some emphasis on the view that the solution to the problem of unemployment was to be sought rather by the actions of each nation individually than by what Mr Haferkamp referred to as a Community strategy. Now I see some danger in that emphasis on national solutions because if nations took that advice too literally they would be tempted along the protectionist path, which the spokesman for the Commission warned us against and which in my judgment would be a great damage to Europe.

## Stewart

As to the rules and disciplines which it was agreed at the Council meeting each Member State should observe, when you come to look at them, are they really anything more than any government with common sense would seek to observe anyway? My criticism of the Council is not so much that some of the things it said were not sensible, but that one really did not need a European Council to say them. They could have been said by junior ministers, or, for that matter, by a collection of intelligent academics, or by a committee of this Parliament; and the European Council devalues itself if it does not say rather more than could be said by groups of that kind.

However, there is apparently to be a conference which, with hope, we may expect to be held in June. And it, if I understood the spokesman for the Commission correctly, is to endeavour to get down to a Community strategy. But did one need the intervention of the European Council in between to tell them to do so? One would have thought that was exactly what the purpose of such a conference was going to be. What we had hoped for from the Council was some indication of the views of Heads of Government as to what the elements at least of a Community strategy *vis-à-vis* the economy and the problem of unemployment might be.

We found also that the Commission presented a programme for action, and for guidelines. Not an unreasonable request, but it appears to have got rather more than it asked for as I understood Mr Thorn to say that there was no unanimous decision about guidelines. That is to say, they got plenty of guidelines; but the trouble about guidelines is the more you are given the less you are guided. What they did not get from the Council was anything you could call guidelines that could be acted upon.

There was discussion also of the Tindemans Report. Naturally, in this Parliament we have awaited that with great interest, we have considered at what point it might be ripe for this Parliament to consider it, and we recognize the fact that Mr Tindemans could not come and talk to this Parliament about it until he had first reported to the European Council by whom he was charged with the job of drawing up the report. We therefore hoped that when the European Council did consider this report, we should know a little more clearly how things were likely to go and on what points we ought to concentrate our own discussion in this Parliament on the Tindemans Report. Now we find that at the European Council there was, if I remember Mr Thorn rightly, no criticism of the main proposals in Mr Tindemanns' report. If I may say so, that is a rather negative reaction. They recognized further that the things towards which Mr Tindemans pointed might be achieved by the end of this century. That also is encouraging as far as it goes, but I think that what some of us would have liked would have been more explicit statements on some of the specific points made in the Tindemans Report. For example, there were his proposals as to what the future

approach ought to be towards the use of majorities in making Community decisions. I think I am right in saying that we do not know what Heads of Government thought about that any more now than we did before the European Council met. There is also the much-discussed suggestion of what is called the two-tier Europe in Mr Tindemans' proposal. I think again we do not know any more now what Heads of Government think about that than we did before the European Council met. I won't weary the Parliament by going through all recommendations of the Tindemans Report; I simply make the general case that although the European Councillors met to discuss the report which it itself had commissioned, Europe is not very much the wiser at the end of the proceeding than at the beginning.

Now, Mr President, I would not wish anyone to think that I wish to be unfairly critical of ministers meeting in the European Council. It may be that these rather negative results are not the fault of ministers but the fault of all of us and of public opinion in Europe for expecting what may be impossible. It may be the fact that various governments are still so wedded to immediate national interests and national needs that they cannot make the steps forward ourselves agreement which would have resulted in more positive declarations from the European Council. Now if that is so, it is a very serious matter; but is that the ministers' view? Do they themselves take the view that though their Council meeting was a disappointing one, the responsibility for that really lies in the fact that Europeans are not yet really prepared to be Europeans and that ministers and governments cannot go faster than their peoples? In my view if that is what ministers think, that is what they should very clearly have said: they should have spelt out the challenge to everyone in Europe who has been talking and hoping for a united Europe and said: These are the things you must do, these are the ideas you must entertain, these are the steps forward you must be prepared to urge on your governments if the Heads of Government are to be able to recognize progress.

I was pleased to have observed one thing at least which the European Council did, I think, unanimously and enthusiastically. That was to pay a tribute to Mr Jean Monnet, who is now regarded, I think, as an honorary citizen of Europe. But Mr Jean Monnet is a man of very great practical common sense. He may well be asking himself, is there going to be a Europe of which I can be an honorary citizen? One would not want being an honorary citizen of Europe to mean no more than today it might mean to be a count of the Holy Roman Empire ...

*(Laughter — Applause from certain quarters)*

These are the real questions: I admit they are difficult ... My criticism — and although I speak for my group, I say again with respect, I do not think what I am saying is shared only by my own group — is that we do come away from this European Summit

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meeting with a real feeling of disappointment. Either ministers have been alarmingly complacent in not realizing what a disappointment it was or, if they did realize that, they should spell out the challenge very plainly to European public opinion. For if the trumpet gives an uncertain sound who can prepare for battle?

(Applause)

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

**Mr A. Bertrand.** — (NL) Mr President, Mr Stewart's thorough and statesmanlike analyses naturally makes my task much easier. He has always succeeded in expressing the feelings of this House — with the exception, perhaps, of Mr de la Malène's small group, which may hold other views on this subject. Otherwise, however, I think we all agree with what Mr Stewart said. I should like to congratulate Mr Thorn on the skilful way — and this is no surprise to me — in which, being the able advocate he is, he has defended in this Parliament a case which has little or nothing to stand on. I appreciate his efforts. He has tried to report to Parliament on a meeting for which he himself in his heart of hearts probably cannot raise the enthusiasm he has been expressing here today as an advocate. Mr Thorn, I congratulate you on the way you have tried to give substance to something which in fact lacks it.

The Christian-Democrats, too, are deeply disillusioned at the failure of the latest European Council. Above all, we are hurt by the sarcasm of young people about the helplessness of the Heads of Government, who do not even implement their own decisions. And yet they have all the information they need.

You must appreciate that the immediate psychological and political consequences of this will be to impair faith in future in the sincere resolve of the political leaders concerned to respond to the longing of those who still believe in the possibility of achieving a European identity and European political cooperation in the not too distant future, even if the famous remark by that great European, Paul-Henri Spaak, proves true: *L'Europe se fera de crise en crise*. We find that this is in fact becoming increasingly the case.

The fact that the European Council has shown itself powerless to take decisions on the three major items on the agenda — economic, social and monetary problems — and was also incapable of reaching agreement on direct elections, on which it had itself, undertaken, in December 1975, to sign a definitive text this April, will have consequences which Mr Spensale highlighted yesterday in a very hard-hitting statement. Only in the case of the Tindemans Report do I feel that the Council is on the right track.

The Christian—Democrats are also asking themselves whether the European Council — this non-institutional body which, at its inception, had pretention to becoming the coordinating body for all Community institutions and is thus situated outside and above all

the rules laid down in the Treaties of Paris and Rome — can continue to function in the future. Was it not rather unwise to have a fixed timetable with regular meetings? Was this not a gross political and tactical mistake which may have serious consequences for the Heads of Governments' prestige and scope for action? This is something we are asking ourselves very seriously. After all, the original intention was to entrust the task of coordination in matters of general policy to the Foreign Ministers and to provide the necessary impetus for this. Another objective was to try to find solutions for major problems which the ordinary Council was unable to resolve. It was with these ideas in mind, then, that the last Summit Conference in December 1974 decided to set up this European Council.

And now we find that there is not even sufficient strength to impart impetus. It cannot even agree on the text of a joint communiqué on what was not achieved. You must admit, Mr Thorn, that it is an extremely rare thing for no agreement to be reached, after a political meeting, on the text of a final communiqué which would have given the public at least an official view of what the Heads of Government had or had not achieved. We have to be satisfied today with an oral report which — and I think we are fully convinced of this — recounts as accurately as possible what was discussed in the European Council. Nevertheless, it is not an official communiqué for public. I therefore fear that the various Heads of Government may give their national parliaments a variety of different interpretations of what was discussed in the European Council. When we come to compare these statements, we shall discover a number of contradictions, and then nobody will be able to make head or tail of the whole thing.

Many people thought — and we shared this view to a certain extent — that the European Council would develop into a court of last resort. What has happened over the last year has proved us right, since we have noted that the ordinary Council's political resolve has weakened considerably since the European Council started functioning. An exception is formed by the Ministers of Agriculture, who are prepared to hold marathon sessions of four, five or six days, so as to take the decisions themselves and not leave them to the Heads of Government. All the other Councils, however — the Ministers of Economic Affairs, the Ministers of Finance, the Ministers of Foreign Affairs — have ceased exerting themselves to find solutions, but are leaving this to the European Council, which then meets without any real preparation.

What struck me most forcibly was that, a few days before this meeting, the President of the French Republic asked for the monetary problem to be placed on the agenda again and then made a statement in the European Council which was totally unprepared and thus left no room at all for getting down to a serious discussion of the pressing, wide-ranging monetary problems underlying this whole economic crisis in

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the Community. The Community is in danger of collapsing because no cure can be found for the monetary chaos and because it is impossible to achieve any genuine monetary stability through joint action at Community level. We learn from press reports that this was not discussed. An attempt was made to have the Commission present at the discussion between countries participating in the monetary snake. Some Member States vetoed this, however, as they did not want the Commission to be present when monetary matters were being discussed. The outcome was that it was impossible to take this initial step towards monetary cooperation at Community level. Here again, there are apparently different interpretations because of the lack of a joint communiqué and, hence, of an official stance.

You must understand that the failure of the meeting of this highest body, which was regarded as a court of appeal, is naturally resulting in widespread *malaise*. There has even been talk of total stagnation. If agreement cannot be reached at the highest level, no further appeal is possible and not one more problem can be solved. There is now a real hiatus in authority. Moreover, the Heads of Government passed the whole agenda on to the ministers concerned without giving them adequate instructions. Mr Thorn stated quite clearly that no unified approach had been marked out for the economics and finance ministers.

Each Head of Government stated his own views, so that the Ministers of Finance now know what the attitudes are in this field at the various levels of government. But, Mr President, this is something the Ministers of Finance already knew. They do not need to be told this by the Heads of Government — they already know it, each in his own country. What they might have expected, however, was for this highest body to have adopted a common standpoint in order to achieve a convergence of opinions on economic policy. We are thus extremely dismayed because the outcome of the discussion on economic, social and monetary problems is that the whole matter is being passed back to the Council of Ministers of Finance. In other words — aren't we lucky — they have reverted to the normal procedures of the Treaties and the institutions. It is now up to the Councils of Ministers to solve the problems — but this did not require the creation of a body ranking higher than the institutions. It could equally well have been achieved through the Treaty and the existing institutions. We would then not have had the confusing situation in which a Council of Ministers of Finance has to deliberate on the basis of proposals from the European Commission, but also on the basis of guidelines it has received from bodies outside the framework of the Treaties. The result is that, if the will to achieve agreement is lacking, these ministers can easily mark time. The fact is that they are faced with two conflicting guidelines which — as Mr Stewart has already pointed out — give rise to considerable confusion. You must

therefore also realize that we seriously risk getting into a vicious circle. The Heads of Government decide to refer discussion of monetary and financial problems to the Council of Ministers of Finance. If these ministers fail to reach agreement, they will pass the file back to the European Council in July. The European Council will then again have to find a way of sending it back, since it does not, as a rule, take any decisions in its capacity as European Council. You can see the kind of vicious circle we may be landed with tomorrow, with all the attendant consequences.

Mr President, I have noted down some of the points in the Commission's proposals aimed at achieving a unified economic policy. The Commission suggested that future economic policy in the Member States should be coordinated on the basis of the following principles. Firstly, there should be obligatory mutual discussion of and consultation on national economic measures proposed in the Member States. The European Council was unable to agree on this — it could not accept this obligation. The second principle was strict adherence to the basic tenets of the medium-term budgetary policy. And thirdly, in the monetary sphere, it proposed the establishment of common standards to guide the domestic monetary policy in the Member States. Those were the Commission's proposals. If they were accepted, it would even be possible to impose certain sanctions in the case of non-compliance. The European Council could not agree on them. There were fundamental differences of opinion, and it passed the whole thing on to the Council of Ministers, which, however, has been given no guidelines — with all the disadvantages that entails. The result of these discussions is that negotiations on the ultimate objectives will probably go round in circles, since the Minister of Finance — in view of the fact that their Heads of Government cannot agree — will probably not be able to agree either.

And now just a few remarks about the Tindemans Report. To our great satisfaction, this has been referred to the Council of Foreign Ministers, which has stated that there is no need to formulate comments on the report. The ministers have been instructed to put forward concrete proposals for implementation. However — and here I must express my concern — the Council of Foreign Ministers is going to set up an ad hoc group to study the Tindemans Report. If this ad hoc group is to be the COREPER, the Tindemans Report will become bogged down in a hopeless diplomatic morass, and will ultimately be 'put on ice' without any concrete results being achieved.

In view of this problem, if the Council of Foreign Ministers is to set up an ad hoc group, we would ask that it do so within the Council secretariat, and it should be made up of representatives of the various Councils of Ministers, so that the problems can be discussed and a positive solution achieved. Like Mr Stewart, I too should like to ask: 'What will be Parlia-

**Bertrand**

ment's role in preparing the concrete proposals based on the Tindemans Report?' We have already adopted a resolution expressing our wish that, once the Tindemans Report has been discussed in the European Council, Parliament should be involved in the process of preparing the proposals aimed at implementing those of Mr Tindemans. We should therefore like to know A. Bertrand what procedure will be adopted to permit this discussion and advisory work by Parliament.

I should like to conclude by repeating that, in our view, the failure of the European Council on 1 and 2 April was an extremely serious psychological and political blunder. I call upon the representatives of the various Member States in my group — and in the other groups as well — to question their Heads of Government in their national parliaments, so that we can have a clear idea of the attitudes the various governments are going to adopt after the serious shock they have given to public opinion. In this way, we shall be able to grasp at least some straw or other, so that we can make a fresh start tomorrow, after the 'n-th' crisis, with a certain amount of hope that we shall be able to achieve something after all.

**President.** — The proceedings will now be suspended until 3 p.m. The House will rise.

*(The sitting was suspended at 1.10 p.m. and resumed at 3.10 p.m.)*

**IN THE CHAIR:  
SIR GEOFFREY DE FREITAS**

*Vice-President*

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

I am sorry we were a little late in starting, but in view of the nature of the debate we could not very well begin until the Council was represented. I call Mr Berkhouwer to speak on behalf of the Liberal and Allies Group.

**Mr Berkhouwer.** — *(NL)* Mr President, I should like to quote from the 'Herald Tribune'.

There was no joy in Luxembourg last week-end following the humiliation of the European Economic Community's newest institution, the European Council, over its failure to agree on practically anything. The failure, the wasted time, should cause some meditation, not just on the future of the Council but on the deeper problem: what hope is there for a Europe if even the government leaders can't do anything for it?

Mr President, this situation indeed calls for some meditation and I have devoted some time to it. Now that the government leaders cannot help us along the road, should we not try as the *vox populi* — even though we are only elected indirectly at the moment — to get the wheels of the integration process turning? Our task now is, I feel, to try to make a posi-

tive contribution to solving the problem by means of a constructive dialogue. I should therefore like to begin immediately with a word of praise for Mr Thorn, about whose good will there can be no doubt.

Mr Stewart has already pointed out that the European Council has taken one decision, in a resolution, moreover, i.e. to make Jean Monnet an honorary citizen of Europe. Is not this what we call in Dutch 'gallows humour', that is simply, an expression of nostalgia? I quote:

Being a realist, Mr Monnet worked on the basis of economic interests but never renounced his visionary aim of achieving a greater degree of understanding between the peoples and nations of Europe in all fields. We have lost sight of this aim from time to time in the course of the vicissitudes in the building of Europe. It remains true, however, that this aim has never been renounced.

On reading this should we not ask ourselves whether the meagre results produced by the European Council are not striking proof of the fact that this aim has indeed been flagrantly renounced. I would like, however, to view this statement in a positive light and assume that this honour conferred upon Mr Jean Monnet was perhaps inspired by the fact that he was once responsible for a high point here in Luxembourg — and I say this without any malicious overtones. If so, we can indeed speak about a certain nostalgia — the wish to return to such high points from the trough we are in now. Of course we have no objections to making Mr Monnet, that great European, an honorary citizen of Europe. However, the real problem is not to make a number of prominent Europeans honorary citizens of Europe, but to make all the citizens of the Member States citizens of Europe.

The Emperor Caracalla gave all Europeans the right to call themselves '*civis romanus*'. When will we be able to regard all the 250 million people now forming the Community of the Nine as genuine European citizens? Decisions on this matter were also taken at the 1974 Summit. It was said that Europe must be made more attractive to the citizen. It must become a citizens' Europe. What has come of this so far? If the Europe of the big enterprises is stagnating why do we not do more for the Europe of the working man who does not work at the summit but lives and works in the valleys of Europe? He must be able to see that something of European unity is beginning to take shape. For example, if he travels from one part of the Community to another, he should be able to do so without papers, and with a single currency, if only as a reserve supply, and so on. At the moment we are in such an anti-European trough that even the clocks do not tell the same time throughout the Community. In one part of the Community we are two hours ahead of the sun, in the other one hour ahead and in the third they do not yet know whether or not summertime should be introduced. Is it not time we did something to remedy this farcical situation?



**Berkhouwer**

We should not, I feel, waste time on futile lamentations and criticism of the European Council, or the Council of Ministers, but rather try to make some constructive progress. Let us therefore start from the facts. It is true that those Member States which are sometimes referred to as the 'big' countries within our Community are at present facing the greatest internal problems. I believe that one of the Heads of State proposed that the number of seats in the European Parliament should be left as it is. And if what I have heard is true the head of government of another country then telephoned the leader of a small party in his country to ask him whether he could agree to this.

In addition, one country is just about to hold elections, and another is currently reacting to elections which have just been held. I therefore agree that we must first of all put our own house in order before going on.

I should like, however, to ask Mr Thorn what is the actual purpose of the European Council. Is it a little fireside chat without an agenda, or must the European Council take decisions on the basis of well prepared documents?

Mr Thorn is in the distinguished company of the writer of an article on the position and development of the European Council. The original intention was that the European Council should meet within the framework of the existing Council as provided for in the Treaty. How does Mr Thorn see these two Councils developing side by side? Mr Thorn said that, as far as he can see, the European Council is still a long way from achieving equilibrium. But, Mr Thorn, is the Council of Ministers of the Community, the real Council, really prepared — and I go along with what Mr Haferkamp has said — to reach an agreement as quickly as possible on the entire package of measures proposed by the European Commission to the Council in Luxembourg which in fact met with general approval — to come to a final agreement on the Commission's proposals on monetary, budgetary and many other economic matters — and before the summer?

I should like to put two final specific questions to Mr Thorn. Has the European Council — and this is a matter on which, as we can see, people keep passing the ball to the other side — has the European Council delegated the question of direct elections to the European Parliament to the ordinary Council of Ministers? Am I right in thinking that the Council will consult the European Parliament when working out the details? Has the European Council given the Council of the Community a mandate to draw up proposals concerning the direct elections, and if so will this be in consultation with the people most directly affected, i.e. ourselves, the European Parliament.

The European Council also delegated the matter of the Tindemans report to the Council, and my second question to Mr Thorn is as follows. How does the Council intend to continue its work on the Tindemans report? Will this also take place in dialogue with the European Parliament? I should be extremely interested to hear Mr Thorn's answers to the questions I have put here today on behalf of my Group.

*(Applause)*

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

**Mr de la Malène.** — *(F)* Mr President, first of all I would like to add to those expressed by the representatives of the other Groups my thanks to Mr Thorn, who, in often difficult circumstances, does his utmost to face up to the problems which confront us. And if we had taken the statements of Mr Thorn and Mr Haferkamp at face value we would perhaps have been somewhat reassured. Unfortunately, I do not think we can.

We can see that last week's Council meeting was a failure on two counts: a failure in the institutional and a failure in the field of policy.

A failure in the institutional field: this is the first European summit to achieve nothing. There have been many other meetings in Europe, at various levels, which have achieved nothing. Subsequently, other meetings have made good the mistakes, but these were not summit meetings, they were not meetings from which no appeal was possible. The meeting of Heads of State and Government is at the very highest level, no-one can take over from them, no-one can replace them if they do not agree to take joint decisions. And, I am very sorry to say, the sessions of Parliament — we shall see how the Press treats them — will not be able to compensate in any degree for the lack of decision at the European summit.

In these circumstances it is easy to understand the feeling of uneasiness experienced by many people, a feeling that is all the stronger because up to now we have been accustomed to positive results from the summit conferences.

There is thus a lesson to be learnt from this institutional failure. It is better not to meet at all than to meet and decide nothing. It is probably better not to get involved in systems of periodical and automatic meetings if it is not known beforehand whether decisions can be taken, or if the decisions have not been prepared. There is no doubt that in future the meetings of Heads of State and Government which, as Mr Thorn rightly said this morning, necessarily attract the attention of the public, who expect something, will have to be held only when they are ready to take deci-

### de la Malène

sions. Thus, on the one hand meetings should no longer be held at set intervals, and on the other hand means should be created for preparing these Council meetings.

I will not venture to suggest what form the preparatory institutions should take. Whether they are called a secretariat or a Council of Foreign Ministers does not seem very important. What is important is that the decisions of the Council should be prepared and that the Council should meet only when this has been done. This is the first conclusion I would like to draw from what I call the institutional failure of the European Council.

There is then, and this is much more serious, the failure to agree on policies. The agenda of which we were reminded this morning was dictated by the requirements of the current situation, by prior arrangements for the meeting, and by timetables that the Council itself has laid down in advance; it was also dictated by the economic, monetary and social problems of Europe, problems which are afflicting all Europeans and all governments; furthermore there was the convention on direct elections, European union and, finally, the Tindemans Report.

On the first point — the economic situation, unemployment and the monetary situation — which had, of course, to be included in view of its immediacy and its direct and profound influence on the lives of all Europeans. Europe is making no progress — one could almost say it is slipping back. In this field we had heard many grand and enticing promises, we had had the period of economic and monetary union with its ambitious timetable — the Werner Plan. Then came the monetary crises, the decision on the dollar taken in 1971, the decision to allow currencies to float. The result was generalized inflation, which itself led to the energy crisis. A few attempted, timidly, to make a fresh start, and we had the snake. Its fortunes have been varied, and only recently it still carried great hopes, since part of Mr Tindemans' proposals, the central part dealing with concrete proposals for economic and monetary union in Europe, was based on this snake. But these hopes have collapsed, no doubt because it was not possible to keep this zone of stable exchange rates going while rates of inflation were too high and too divergent within the zone itself; no doubt also because it is not possible to keep a snake alive if at the same time those responsible for monetary policy cannot agree on common policies *vis-à-vis* the outside world and towards the dollar, so that the burden of maintaining the snake is unequally divided between the various partners;

Finally, because certain members of the Community outside the snake have perhaps not sufficiently defended their currencies, thus contributing to the fall of other currencies. These three factors — divergent rates of inflation, lack of a common policy towards

the dollar, and insufficient support for certain currencies — have dashed the hopes that we placed in this snake, leaving us with nothing.

The Commission had submitted proposals for attempting to achieve a convergent economic policy, combining, as certain journalists have put it, with some exaggeration but nonetheless a certain amount of truth, the carrot and the stick. The Member States were told: 'Make an effort at convergent economic and monetary policies and those who have made an effort will get something'.

Despite what Mr Thorn and Mr Haferkamp told us this morning, it seems to me that although the stick is perhaps still there the same is certainly not true of the carrot. All the proposals have been referred to other Councils, with the hope that some agreement will emerge. I believe that something must be achieved as a matter of urgency.

Economic and monetary union in Europe is not a luxury for periods of calm; on the contrary it is in times of crisis that we must appeal to Europe and not lay it aside when difficulties arise, for afterwards it will perhaps be too late.

After the questions imposed by the current situation, the Council's agenda contained the questions for which the meeting had been arranged, the convention on direct elections and the Tindemans Report.

I can be very brief on this point, for the position of my Group is well known. As early as 1958 I was a member of the Working Parties responsible for examining the problem of elections, and I voted then and have always voted since in favour of these elections. It seems to me, however, that if this institutional effort is to achieve its goal it must be accompanied by certain conditions in two fields: the Treaties must be respected, particularly with regard to proportional representation of the peoples, and there must be parallel progress in other spheres of European life, so as to avoid any impression that institutional progress is a means of avoiding difficulties.

Under these conditions we shall continue, as before, to be in favour of the election of this Assembly by direct suffrage. However, we note that this Council meeting has not been able to reach agreement. Of course, we find this regrettable; but as to being surprised at it, that is a different matter, for like it or not European advances in the important areas are necessarily interconnected. How can one justify institutional agreement to be implemented in two years if, in the short term, Europe is not capable, in the face of grave difficulties, of agreeing to try and apply a common solution to the problems currently afflicting the peoples of Europe? A solution of this kind, affecting only institutional aspects and effective only in two years' time, is no doubt an act of faith, and I am not one to oppose an act of faith. But is it not a

**de la Malène**

somewhat derisory way of replying to the anxious questions of Europe's 5 million unemployed? We are indeed in favour of parallel progress and we are not surprised that in the absence of this parallelism nothing has been achieved. As we have seen, the institutional machinery is not sufficient, despite a new institutional mechanism, the European Council, where decisions could be taken.

Finally, there was a third subject: the Tindemans Report. I shall not dwell on it. No doubt it had great merits, but what is left of it today? A lot of fuss has been made, there have been a large number of meetings, and what will come of it? We do not know, but for the moment there is certainly no reason to regret the procedure that we have followed here in this Parliament

What then, you ask, is to be done in view of this institutional failure, this failure to agree on common policies? As Mr Tindemans has said, Europe is languishing, but there is no question of despairing of Europe. Like Mr Thorn this morning, we are concerned with a number of ideas on which to base a new start.

I have said what we think, from institutional point of view, of the summit meetings and of the way in which they should be reorganized. Apart from that, it is of course necessary first of all to cling to what remains: the achievements of the Community, the common market, the customs union. Then it is necessary to have a budget — and this is important in the present situation — a large budget which will not only permit the achievements of the Community to be maintained but will, in addition, permit new activities bringing hope for the future. Let me say in passing that we are very interested in a report from Mr Haferkamp which proposes, with regard to the contributions from Member States, that there should be a review of the drift that has occurred in the value of the units of account, which means that the burden of Europe is too great for some and not enough for others. This is an injustice which we must rectify; the common agricultural policy should not lead to transfers of financial responsibility in this fashion. It would be a good thing if the Commission adopted Mr Haferkamp's report and if the Council could then consider it. The importance of the common market in agriculture and its continued existence are at stake.

In addition, progress should also be made in specific fields such as passports, etc.

Since I have no time to touch upon other questions, let me add simply that apart from this approach an attempt should be made to do something in the psychological field, a field where elections could perhaps have made a contribution. However, and I would like to conclude with this, nothing will replace

the convergence of wills. It is this common will which was lacking in the European Council, and when the will is lacking Europe can make no progress.

*(Applause)*

**President.** — I call Mr Stewart on a point of order.

**Mr Stewart.** — Mr President, I notice that throughout our discussions this afternoon there has not been a commissioner present. It seems an unfortunate omission. Would you accept a motion to adjourn proceedings until a commissioner can be found?

*(Applause)*

**President.** — Mr Stewart, I, of course, had also noted that fact and had hoped that by now a member of the Commission would be here ...

**Mr Kaspereit.** — *(F)* ... contempt for Parliament!

*(Mixed reactions)*

**President:** ... As for the Council, it is now fully represented, and you will recall that I delayed resumption of the proceedings until Mr Thorn had arrived.

Mr Stewart has moved that we suspend proceedings until a member of the Commission is available.

Are there any objections?

That is agreed.

The proceedings will now be suspended until 4.00 p.m.

*(The sitting was suspended at 3.50 p.m. and resumed at 4.00 p.m.)*

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

**Mr Normanton.** — Mr President, I rise to speak on behalf of the European Conservative Group but I shall do so only as to one part of the area which this debate was initially planned to cover.

Impressions of any situation, I believe, if seen from a distance, can only too frequently be deceptive. But prior to this morning I can only describe the distant view of the proceedings and the outcome of the meeting of the European Council as grim, foreboding ill for the Community at home and for our role and influence in the world at large.

But after the address to this House this morning by the President-in-Office of the Council, I am bound to confess to a feeling less of gloom and doom and more of sadness, with a still faint glimmer of hope. That hope will be either brightened or extinguished completely at the next meeting of the European Council.

One thing, as I see it is certain: in the present state of political, economic, social and industrial malaise

### Normanton

inside the Community, we cannot afford to have another failure. That could only result in the letters 'RIP' being appended to the letters 'EEC'. I want to make, therefore, just a few comments on a number of points which are basically economic or industrial in character.

The economic strength of the European Community is continually being eroded, wasted, squandered. In the Community we have the institutions, we have the mechanisms, we have the machinery and above all we have in the Treaty of Rome the clearest possible declaration of a series of highly commendable objectives. But what Europe and the Community in particular lacks is will. A will to recognize that each and every Member State has problems and difficulties which are similar and indeed almost identical to one another. We lack the will to recognize that common problems demand logically common solutions as much in the economic field in time of peace as in the military field in time of war.

All countries, including the United Kingdom, have critical problems of energy — the supply, distribution and consumption of it — and yet each Member State refuses to recognize its own continuing vulnerability or to agree to take any constructive or positive measures in concert with any other of its colleagues in the Community. We still find in the field of energy the classical example of the way in which the European Economic Community is divided and through its division continues to be exposed. Exposed as much today as it was in September of 1973 and we all know the price which we have been paying ever since that date for that exposure and for that division. May I remind the House, not by any means for the first time, that at least one-third of the industries of the European Economic Community can still be closed down by the actions of a mere handful of technicians. I am referring, of course, to those gas and oil pipelines which flow into the very heart of industrial Europe from behind the Iron Curtain. When we consider North Sea oil, we should not forget for one moment that that future source of energy, about which so much has been spoken and on which so many hopes have been placed, could be sabotaged by a mere handful of midget submarines placing their explosive charges in the right place. We have no will, we have no mechanisms, we have taken no concerted steps to deal with either of these Achilles' heels of European economic viability.

We in the European Conservative Group very deeply and profoundly regret the absence of any pronouncement or commitment by the European Council to take urgent and effective steps in this still and indeed increasingly crucial field. I only hope that the President-in-Office of the Council, when he comes to respond to this debate, will answer the particular points that we have made and give us a glimmer of hope for the future in this particularly vital, crucial area.

The barriers between Member States against the expansion of trade continue to stand. I am referring of course to the non-tariff barriers which form one of the many responsibilities of the Commission, and to which, undoubtedly, the Commission have been trying tirelessly to find solutions. I refer to the technical specifications which covertly are still in operation, and represent effective and powerful barriers to the creation of a truly open European common market. Public tendering has still not even received the slightest consideration, as far as the Conservative Group can see, as a major and extremely important element of forward thinking, forward planning and forward creation of what we all desire to see, a truly economic open market.

As for harmonization of professional qualifications, a point which was raised in the debate on unemployment yesterday, these are small but nevertheless important examples of the way in which trade is not liberated purely by the setting aside of tariff barriers. These are, however, examples of the way in which the European Council and the Council of Ministers still appear to lack either the courage or the vision to deal forcefully and effectively with the barriers in the path of progress for the peoples of Europe.

European industry cannot continue in its present structural form. Historically, the industries of Europe have evolved through their close association with the individual Member States; even now obstacles are put in the path of encouraging, or indeed enabling, industry to think on the basis upon which the future really depends: the basis of a vast and open market, on the basis of high and advanced technologies. Until there is progress in this direction, Europe cannot possibly fulfil all the ideals and all the hopes which have been enshrined in the creation of the concept of a true and fully open and rich European market.

The European Community has held up promise and scope for restructuring industry not just in individual minor sectors but in major sectors and on a continent-wide basis. But where is the evidence of the will and the determination to move and make progress in that direction? We should be asking ourselves whether the shipbuilding industry, which is recognized throughout the world to be in an extremely difficult and dangerous situation, should rely solely on the solutions provided by individual Member States. Is the aircraft manufacturing industry, which is in a similar situation to that of the shipbuilding industry, and is the computer industry to continue to be based upon the concept of the market being the state in which their factories and companies are based? Not a single sector of high technology industry can ever in future expect to be able to go it alone, except to poverty and bankruptcy. How long, we should be asking ourselves, are we to wait until the Heads of Government and the Member States themselves see the sense, see the wisdom, see the logic of this argument?

## Normanton

Briefly, I want to make just a comment about the contribution made by Commissioner Haferkamp — short but nevertheless valuable. I cannot help but feel that he put his finger on the key to our economic future when he spoke of the need for discipline, discipline, that is, in the best democratic sense of that word. Perhaps it should be described as self-discipline. But discipline in all forms of life should be set by example and not by decree, and that means self-discipline established and manifested by those with responsibilities to lead — to lead our Member States and to lead our Community as a whole. And that is the basis upon which we, a democratically orientated Community, want to see the road that lies ahead. Until we recognize the importance of self-discipline at the top how can there ever be any prospect of self-discipline being accepted at other levels and in other parts of the Community?

The European Conservative Group remains, as it has been in the past, highly critical of the lack of example and leadership. I hope that when the President-in-Office of the Council comes to reply to this debate he will provide evidence of that leadership and self-discipline amongst the leaders of our great Community which we in this House have a right to expect, have a right to demand.

*(Applause)*

## IN THE CHAIR : MR MARTENS

*Vice-President*

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

**Mr Fabbrini.** — *(I)* I must state quite frankly that, unlike other Members, we were not surprised by the failure of the European Council meeting held in Luxembourg a few days ago. We have always strongly and vigorously condemned the European leaders' lack of political will and their inability to tackle and solve the grave problems facing the Community.

If anything, we were somewhat disappointed by the statement which the President-in-Office made here this morning because, in our view, rather than make a frank admission of the total failure of the meeting, he tried to play things down and to revive certain hopes somewhat by saying that what the European Council did not do can be achieved at a later date by other Councils which will meet to deal with subjects falling within their respective competences.

However, let me say equally frankly that we are in no way pleased at the failure of the European Council meeting: on the contrary, we are deeply concerned because we feel that in view of the gravity of the Community's present situation, in which the thorny problems facing each Member State automatically involve the whole Community as such, it would have

been both useful and necessary for the European Council to take a number of major decisions, at least on certain problems or on certain of the more significant aspects of our present economic predicament.

It is true that the problems are many and also hard to solve; we have never considered that they might be solved by a wave of the magic wand. The problem of unemployment is becoming more tragic every day, not only — although especially — in Italy, but throughout the Community; inflation is advancing in varying degrees in all Member States, undermining the whole Community; the monetary confusion — and I regret that the Summit declined to tackle this problem — is increasing day by day.

All these are serious, weighty and disturbing problems which, in my opinion, had also given rise to legitimate expectations by the public as to the decisions which the European Council was to have taken and did not take.

In fact, no important decision was taken. The failure was complete — we can be quite honest about it — because it affected all the problems discussed. No decision was taken, except to postpone matters. The President-in-Office of the Council stated several times this morning that unanimous decisions had been taken. But this unanimity either referred to general political objectives, such as economic and monetary union — and I shall come back to this briefly later — or else found expression in the postponement of the various problems until the relevant meetings of the Councils of Ministers competent in the individual fields involved. The unanimity mentioned therefore referred merely to the reaffirmation of general political objectives or to the postponement of the problems in hand. It was only to be expected that the European Council would reaffirm the need to go ahead with economic and monetary union, but it indicated neither how nor when, and in particular, did not state which road ought to be taken in order to achieve this union.

In the meantime, as I said earlier, the monetary situation is serious and the confusion is intensifying. Our currencies, are moving further away from one another instead of converging; the economic differences and the state of fundamental imbalance within the Community are growing instead of disappearing. The spirit of solidarity between the Community countries and the shared understanding of certain imperatives are fading. Still worse — and we feel we must condemn it in this House — is the fact that in the midst of such a serious situation, when a real effort of good will is needed to promote cohesion, there is already evidence of very disturbing acts which could even jeopardize some Community achievements which seemed to have been consolidated.

We in the Communist Group have stated on many occasions that the European Community was little more than a few trade area with a doubtful common

**Fabbrini**

agricultural policy, of which we have always been highly critical. What is happening today puts us in the position of having to revise even this definition. When more or less concealed protectionist measures appear here and there, when the temptation to resort to protectionism arises once again, then what has been achieved, i.e. the possibility of free trade in finished goods, is jeopardized.

What we are saying is that one of the duties which we must discharge both in this House and in our national parliaments, is — and especially in the present circumstances — to make a firm stand against these protectionist temptations which would endanger a Community achievement i.e. the free circulation of goods within the Community. There is no doubt that unless temptations of this kind are checked, we are heading for the disintegration of the Community. There was also failure in the face of one problem which seemed to have been almost solved, at least, that is what the public had been led to believe: I am referring to the elections of the European Parliament by direct universal suffrage.

As a Group, we have stated our position at length in this House on a number of occasions, and I do not want to go into it again. I should merely like to say quite clearly that our Group is wholeheartedly opposed to the proposal submitted by the French President, Giscard d'Estaing, as it would sacrifice the small parties and the small political groups, not only in Italy, but also in other Community countries.

We take the view that a parliament such as the European Parliament ought to be, elected by direct universal suffrage, should also include representatives of the political minorities. For the reasons which we have already outlined on another occasion, let me say immediately that the Italian Communists, on whose behalf I am now speaking, will abstain on the motion for a resolution tabled by Mr Patijn when it comes to be discussed.

I shall end by going back to Mr Thorn's speech this morning and his affirmation that in order to save (which is the word he used) the Community, it is necessary to reconcile the interests of its nine Member States.

I agree with him on this point. Nevertheless, we must group together such interests as have a minimum of homogeneity and give them priority in the Community. If, as I said earlier, it is because the main interests represented at Community level and through the various national governments, are, above all, conflicting interests. The interests which can be grouped together must have a basis of homogeneity and I maintain that only the interests of the workers, both manual and intellectual, have this character. So, if we want the idea of Europe, of a democratic, autonomous and independent Europe founded on principles of justice, to gain ground, there is only one way

and that is to arouse the full commitment and support of these homogeneous forces for this European idea.

This is what we believe, and from this belief comes our political proposal aimed at overcoming negative positions both within individual countries and in the Community as such and at establishing common ground between all the political parties and groups which best represent the interests of these homogeneous forces, so that they can truly guide Community policy towards those objectives which I have just briefly summarized.

*(Applause)*

**President.** — I call Mr Van der Hek to speak on behalf of the Socialist Group.

**Mr Van der Hek.** — *(NL)* Mr President, I should first of all like to express my admiration for the way in which the Commission has followed this debate up to now. We understand that the Commission was also represented at the meeting of the European Council, not only with proposals which were submitted orally to this Council by its President, but also with written suggestions.

I should like to ask the Commission on behalf of the Socialist Group to submit these proposals to Parliament too, so that the Committee on Economic and Monetary Affairs, and subsequently the plenary assembly, will be able to discuss them before the Commission finally defines its attitude to the Council. This seems to me to be the right way for the Commission to act *vis-à-vis* this Parliament and the Council.

I should also like to thank the President of the Council for the succinct and realistic way in which he described the events at the European Council. What in fact is his view of what happened on this occasion? If I have understood him correctly, no decisions were taken in the field of economic and monetary policy or unemployment. I have no wish whatsoever to belittle the importance of all the other issues which have been discussed in the European Council, but I think we agree that the economic problems with which the Community is currently struggling are really the most important. This is where we can see the value or insignificance of the Community. Does the Community have any influence on economic and social developments in the Member States? The Community was not able to prevent the economic crisis having unpleasant consequences in all of our Member States. We see that the European Council was unable to make any contribution to the solution of these problems in the Community. The only thing the European Council did was to establish that there is a desire to discuss these problems. All it really did was to hand the Ministers of Finance a list of jobs to do, and the European Council was not strictly speaking necessary for this. The Community institutions could have

**Van der Hek**

discussed the problems even without this meeting of European Council.

Unfortunately, we can see from the words of Mr Thorn that, contrary to the original intentions, the European Council has provided hardly any stimulus to further economic cooperation between the Member States. I should like to put a couple of specific questions to the President of the Council on this matter. Has the European Council set the Ministers of Finance a specific task? If so, what is it and what is it intended to achieve? Or has the European Council only said that the problems must be looked into once more?

If the European Council has done nothing more than that, must we assume that the Ministers of Finance are starting with a clean sheet again, and that last week's meeting of the European Council was of no relevance whatsoever to their activities?

My second question is as follows. A dispute is currently going on between the Member States on the question of how these economic and monetary problems must be tackled. Certain Member States have pointed out that monetary stability is essential for the smooth running of the Common Market. The Common Market is seriously threatened if it proves impossible to maintain a common monetary stability between the Member States. Where obstacles to trade and customs tariffs are abolished a customs union is created, but at the same time we see other obstacles to trade and the free movement of goods and services appearing, i.e. when exchange rates are no longer stable and the Member States take various measures which seriously undermine the functioning of the Common Market. At the same time, however, there is a question of whether monetary stability is possible without coordination of economic policy, bank rate policy, the policy with respect to budgetary deficits and the financing thereof, a common policy on aid to industry and a common standpoint regarding expenditure on social security and its influence on labour charges.

Until we can achieve such a coordination of policies, it is an illusion to think that monetary stability can be achieved by agreements such as the snake. I think this is indeed an accurate analysis, the question arises as to the direction the Council intends to take. Does it intend to put the entire emphasis on the coordination of economic policy, or instead to try and achieve results in the monetary field by measures such as a snake, possibly extended to include other States, possibly with wider margins, possibly involving automatic aid to Member States with balance of payments problems? I should be glad to know what route the Council intends to follow and what its thinking on this is, am I perhaps to assume from the careful hedging of the President of the Council that the Council has not yet reached any opinion at all?

*(Applause)*

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

**Mr Bangemann.** — *(D)* Mr President, I shall restrict myself to two brief comments and leave the rest of the time to my colleagues.

It seems to me that two remarks by the President-in-Office of the Council deserve special emphasis, namely that it is wrong to expect the European Council to do everything and that Europe is not only a matter for heads of government. In view of the results of the last European Council meeting, I could almost say, with a certain sarcasm, 'Thank goodness!' for once again it has been seen, and this remark also applies to Mr Tindemans' proposals, that basically such a body can reasonably fulfil only one function, i.e. what Mr Thorn described as the pooling of interests. This, however, is a classical function of multilateral conferences, but not the function that a European institution ought to assume, and in my opinion that is the only reason why this European Council, like the meetings of the Council of Ministers, time and again fails to produce results. Then the Treaty is invoked, even for such minor details as the designation of this House, but if one recalls all the other things that are in the Treaty, for example majority decisions, one is naturally not very impressed by this.

One last comment, and I mention this here not only as a parliamentarian but also as a member of a party which, like all the other parties, is involved in national politics in its respective Member State. What we all want, Mr President, what a majority of the people still wants, what most of the parties in the Member States want, is becoming increasingly difficult to achieve because of these barren and fruitless meetings of European Councils and Councils of Ministers. I am no longer interested in the fact that nothing comes of them, for we are used to that. What concerns me, Mr President, and the responsibility for this of course does not lie with you personally, is the inaction, the inability of these institutions, which are after all provided for in the Treaty, to speed up progress towards European union, which means that all efforts to follow a European policy are increasingly brought into disrepute. All parties in this House and many national governments are making efforts to advance towards a united Europe. This is however, being made increasingly difficult by a few national egoists, so that we, the convinced Europeans, are no longer believed by the public.

*(Applause)*

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

**Mr Yeats.** — Mr President, perhaps the most disappointing aspect of the recent European Council meeting was that it engendered false hopes amongst the peoples of the Community. The fact that all the

**Yeats**

political leaders of all the member countries came here to Luxembourg and then proved unable to agree on anything of importance is certainly a severe setback to the Community.

It is evident that the thrice-yearly European Council has not yet established its role in the Community. It has become a cumbersome bureaucratic meeting with an overloaded agenda and it has failed to transcend the narrow national and administrative factionalism that has overwhelmed the Council of Ministers. One can only describe as ludicrous a situation in which the leaders of our countries can argue for hours as to whether direct elections should be held on a Thursday or a Sunday. With regard to this absolutely vital question of direct elections, the remaining serious problem, after the question of Thursday or Sunday has been fixed, namely the representation to be given to each country, must now be settled without further delay. The longer this question is left unsolved, the more difficulties and objections will present themselves. An early decision is vital and commonsense suggests that it must be on the basis of the compromise laid down in the Patijn report adopted last year by this Parliament. For those of us who come from smaller states the Patijn proposals involve a cut in the political representation of the smaller member countries. But if agreement is not possible on these lines, then I believe that we should accept the proposals of Parliament. I intend therefore, with my Irish colleagues, to vote in favour of this resolution.

Direct elections are the means by which the Community can regain the interest and support of its peoples and recent opinion polls have shown conclusively that there is an overwhelming public support for these elections. Great hopes and expectations have been raised by the promise of a directly elected Parliament by 1978. The disappointment will be equally great if we fail to meet this target. Nothing less than the whole future of the Community is at stake and we in this Parliament must use our influence to ensure that the target set by the European Council itself will be met.

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

**Mr Dykes.** — Mr President, time is very short. I do not have time to go into all the details, but I would like to return briefly to questions of economic and monetary policy. In thanking the President-in-Office for his words earlier today, I think I echo the feelings of disappointment of other Members of this House as regards the very meagre achievements of the European Council Meeting — and this includes economic policy in that context — and therefore should like to re-emphasize the pressing importance of the development, as soon as possible, of a coherent Community economic and monetary policy.

Now I know it is easy for me to say that with some influence but no responsibility, and very difficult

indeed for the Council and indeed for the Commission to work on these themes. Once again, however, we see a situation of no progress, a situation where — insofar as the public really do listen to the deliberations of the European Community — disillusionment and disappointment are now writ large and where expectations of any real Community action in the economic field are very, very low indeed. It is not enough for the citizens of the Member States to rely only on their national governments. The Community as a whole, and I hope Commissioner Haferkamp will confirm this, can do more than it is doing in the economic and monetary field.

If the recent departure of the French franc from the snake implies, at least for the moment, the temporary collapse of those snake arrangements, and the mini-snake is also now put asunder, then let us try to take a first step towards creating a lasting monetary and currency agreement. This could be done if the political will were there, and that applies too not only to the doctrine but also to the reality of all the policies of economic convergence which the Community should have implemented a long time ago, but still has not. It is not enough for the financial Council or the economic Council to meet from time to time and discuss mutual economic problems. It really is time that economic and monetary policy was more concerted in the Community context.

If the United Kingdom, for example, is lagging behind Germany, in cyclical terms and in terms of the upturn from the recession that has affected Europe and indeed all the rest of the world, that does not provide reason and excuse enough to say that convergence is impossible. If the German Finance and Economics Ministers, the British Chancellor of the Exchequer, the French Finance Minister and so on, would get together much more intensively than they do now on all these matters, I believe we could then gradually start to make progress, painful though it might be, towards the first small steps to harmonizing the European currencies.

I do not have time to go into all the technical aspects of that. It is a very, very complicated field, as we know, but convergence is important not only from the point of view of eventual currency harmonization, when the present instabilities in money markets disappear, it is also important from the human and social points of view. The Community still has over 5 million unemployed, there still is no concerted Council commitment to alleviate the rate of unemployment, the amount of spare capacity in the Community economy is still higher than in any other advanced Western industrial society, and that includes Japan. Now, unless the Community really begins to deal with these problems, we shall lose the trust and faith of the average European citizen, and that is the responsibility of the President-in-Office as much as of the Commission.



## Dykes

I finish with the point I made at the beginning — all these things are ultimately political actions and if the United Kingdom and other weak economies in the Community are holding back concertation of economic policy, then it is for the strong as well as the weak to propose reciprocal solutions.

*(Applause)*

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

**Mrs Goutmann.** — *(F)* Mr President, ladies and gentlemen, some Members of this House were expecting spectacular results from the latest European Council held on 1 and 2 April in Luxembourg, and today everyone is talking about the failure of that meeting. This failure, the inability of the Heads of Government to produce a final joint declaration and to reach agreement on the most burning issues — the economic, monetary and social problems — is only a reflection of the fundamental crisis currently afflicting all the countries of the Community.

This crisis, which we spoke about yesterday, is seen in the widespread unemployment; it is seen in the diminishing purchasing power of the entire working population of the Member States, which not only strikes the workers, but affects all social categories — even those which thought themselves sheltered until now.

This crisis is also seen in the massive profits of a few multinational monopoly groups and — problems, these, which are inherent in the capitalist system itself — in the present monetary disruptions caused by the amassing of capital, speculation and the institutionalization of confusion and waste. In these circumstances, it is not surprising that there was no spectacular decision, even if the President of the French Republic, for electoral reasons, did his best to lend the meeting an aura of significance which he hoped to turn to his own advantage.

We are not surprised that there was no spectacular decision. Even so, we know that decisions were taken, since the failure of the meeting is only apparent and reflects the evolution of the inherent contradictions of imperialism, the increased keenness of the competition between the Community countries and the difficulties facing all the governments because of the pressure from the legitimate demands of the workers of Europe: in other words, because of the intensifying of the class struggle.

This apparent failure conceals an underlying reality: that of a deliberate policy decided on by the European Council and the Commission and consistently supported by certain Members of this Parliament. It is a policy aimed at reaping benefits from the crisis for the big monopolies at the expense of the working populations.

What is the result of the discussions in the European Council and of the Commission proposals which were so vigorously supported by Mr Thorn, President-in-Office of the Council, and largely reiterated by a

number of honourable members? What have these decisions and these discussions revealed? The answer is a need for greater cohesion on the economic and monetary front and, specifically, a need for all Member States to exercise greater discipline vis-a-vis money in circulation, credit, production costs — including the costs of wages and salaries — incomes policy, budgets and equilibrium on the balance of payments. When we see that to the reduction of incomes and salaries all the bosses add demands concerning social benefits, both family allowances and social security, we understand that the policy agreed on by the European Council and supported here by all those who condemn the slightest inclination towards protectionist, or quite simply national, policies is, in fact, one of increased austerity. That this is the case is confirmed by all the studies undertaken by the CECD on the years ahead; it is confirmed in France, as regards the growth of unemployment and inflation, by the preparation of the Seventh Plan. This policy demands further sacrifices from the masses. At the same time, however, this policy which, we are told, was unanimously accepted by those who participated in the European Council, gives a free hand to — and, indeed, encourages — the monetary speculation which, after the collapse of the lire, has now sent the franc and the pound crashing in their turn.

But political union is needed to safeguard this monetary and economic policy which serves the interests of the big monopolies. We are told, however, that European political integration is marking time, and the debate on the Tindemans Report has been postponed until the Foreign Ministers' meeting. It is very strange to learn that the Heads of Government had no basic objections to this report and have even committed their countries on the question of the election of the European Parliament by direct universal suffrage — which is a touchstone of Mr Tindemans' report — without prior consultation of the national parliaments.

At the risk of disappointing or shocking several Members, let me say that there is no question of our dissociating the problem of the election of the European Parliament by universal suffrage from the general discussion of the Tindemans Report, in a word, the debate on the future of Europe. The problem today is not so much to discuss the details of the electoral procedure, since we are in favour of universal suffrage within a context of democracy and political change. The question is: what form will Europe take? For whom and for what purpose will it exist?

We are told that an economic recovery is under way and the workers are called upon to tone down their claims so as not to hold up this recovery. This being so, the question arises: who is this recovery for? Who is to feel its benefits? That is the heart of the matter and it is this question which must be answered.

**Goutmann**

To want at all costs to dissociate the problem of the elections to the European Parliament from the very shape of Europe is to refuse to discuss the anti-social policy imposed by the Community, which is causing anxiety throughout our countries, or to do nothing except talk about it, lament the situation bitterly and introduce partial remedies. It is to approve, by means of supranational elections, the policy drawn up in the Tindemans Report, which was reaffirmed at the European Council and which means discipline and restraint. When one sees the will to establish a common defence policy within the framework of the Atlantic Alliance taking shape through these projects, one wonders how long it will be before Europe falls into step accordingly. The Tindemans Report advocated a two-speed Europe: that of the large industrialized countries and that of the more dependent countries. His proposal gave rise to legitimate protests. The Europe which is proposed to us today, and which the Ministers of Finance and the Foreign Ministers have been entrusted with the task of implementing, is a one-speed Europe of big business and economic and monetary power within the Community, with austerity and a policy safeguarding the maintenance of the so-called liberal governments being imposed upon the other States.

Let us get this quite clear. We are convinced that Europe can and must progress, provided that this Europe defends the interests of the working masses who are so harshly victimized today. This can be achieved only by developing the national economies, defending national sovereignty and safeguarding the right of peoples to choose the regime they want and by means of wide-ranging cooperation which respects the equality of rights and duties and avoids all discrimination. This means that, in view of the objectives set in this report, we cannot accept a Europe crippled by crisis and austerity. On the contrary, the workers will struggle for change and a different Europe. We shall strive for this Europe and this wide-ranging cooperation, while respecting the independence and the sovereignty of the Member States.

**President.** — I call Mr De Sanctis.

**Mr De Sanctis.** — (*I*) Mr President, ladies and gentlemen, I should also like to begin by expressing my appreciation of the ability which the President-in-Office of the Council has once again shown and for his current painstaking efforts at the head of the Community.

We had the opportunity of observing Mr Thorn's talent this morning. I was at first worried because, in the opening part of his speech, he seemed to have adopted a conventionally official tone more akin to the introduction to a press conference than to a statement before Parliament when he gave his account, in a somewhat formal and non-committal way, of what had happened at the European Council a few days before. Fortunately, he then went into greater detail

and we understood the reasons for his commitment; these are, in fact, the same fundamental reasons as ours. Among the many things he said was — and this is significant — that the European Council had shown at its latest meeting that it has by no means found its true equilibrium.

This is one of the pivotal points of the present debate and we must focus our attention on it. What has happened? It is not up to me to report on the events, nor do I have the time. Everyone, Mr Thorn, has expressed his disappointment and, in fact, you did so most eloquently of all. I imagine that in view of your present responsibilities you were hoping for and expecting something quite different. As today's general debate draws towards its close, I think that you can take note of one important fact which emerges from the discussion in this House: although there are problems as to how representative it is, the date of the elections by direct universal suffrage and the indirect way in which we would represent the individual national communities, the European Parliament in Luxembourg is still the institution which is doing most at present to preserve the European idea.

Please take note of this. I think that you realize this as well as we all do. This fact could be one way of taking to task the European Summit which has brought home to us the stark truth that selfish ambition is very much alive in certain quarters. Consequently, if we, through the common political resolve which practically everyone claims to share, do not make a stand — which cannot even be considered a unanimous parliamentary stand — the cause of Europe could suffer irreversible setbacks. In this connection, the House would perhaps do well to remember, amidst the chorus of voices being raised — and I say this without any desire to complicate the issues before us, but with complete objectivity — which political groupings have always displayed a genuine European vocation and which, on the contrary, while appearing suddenly to have leapt aboard the European bus, reveal a European vocation consisting of mere words and unsubstantiated by facts or deeds.

I say this not in order to fuel a dispute which could continue to do more harm than good in Europe, but to point out that we should not fool ourselves, that we should remember the basic premises which distinguish us. We have greatly different points of departure where Europe is concerned, and what certain political groups did until recently to oppose Europe must not be forgotten. Moreover, their present opportunism may be very useful in reminding us that in the Community there are those who aim at objectives which are entirely at variance with those pursued by the groups who are trying to achieve a real and lasting European union.

I feel this to be an important point, Mr President, in that we must beware of overstating the obvious and of letting ourselves be overtaken by a spirit of resignation

**De Sanctis**

in the face of events simply because they are said to be unavoidable. This is what is happening in my own country and I sincerely would not like to see it happen in Europe, since the Community constitutes a defence and a guarantee against the risk of the individual states plunging into irremediable crises which would prevent us from ever building Europe either politically, socially or economically, and, even less, morally.

We are seeing here this evening how true all this is. Therefore, with reference to the relations between the European Council and Parliament, and bearing in mind what you, Mr Thorn, told us in the second part of your statement, it ought to be remembered that when the European Council was, to all intents and purposes, institutionalized, we were told that it would serve as a place to gauge the common resolve of the people as expressed through their representatives at this Summit and also as a source of stimulus and initiative. Today, on the contrary, the European Council seems to have forfeited both these roles.

With a keen awareness of the prospects and the hopes for Europe, which we feel still hold good, this is our cry of alarm and, bearing in mind what has been said by colleagues in other Groups, this is the warning which we give out on the basis of a fundamentally calm, responsible and comprehensive agreement as to what has to be done. Summing up, what we now hope is that the efforts made by yourself, Mr Thorn, by your colleagues at the Council and by the Commission, will be backed by a Parliament which has as yet insufficient power to do so, but which nevertheless asserts its resolve whenever, as it has done today, it debates issues such as these. Our wish is that we may get on the true road to Europe, as it is on this road that the individual national states will also rediscover — and I hope this will be the case of my own country — their reason for surviving and carrying on.

*(Applause)*

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

**Edele Kruchow.** — *(DK)* Mr President, I too am unable to conceal my disappointment at the fact that the European Council meeting was unable to find solutions, particularly to the problems of employment and inflation. Having said this, however, I think that all of us here in Parliament, who are, after all, also members of the national Parliaments, must ask ourselves what exactly is wrong. Our Heads of Government have their mandates from their national Parliaments. These are all Parliaments which accept and cooperate with their governments. Have we not ourselves caused problems at home by letting our Heads of Government meet so often without adequate means to solve the problems?

These considerations have brought me round to thinking that we in this Parliament are also really partly responsible for the fiasco of the recent Council meetings by accepting such frequent meetings between the Heads of Government — who have gradually come to meet three times a year. These meetings are not provided for in the Treaty of Rome, and I think they may end up by creating a serious misunderstanding of the work of the Community amongst the public at large. I should therefore like to ask the President of the Council to answer the following questions clearly and unambiguously.

Would it not be better to stop the Heads of Government meetings so often and to try and let our Ministers of Foreign Affairs, Finance and Employment channel all their efforts through the Council with a view to achieving a greater degree of coordination in their work on solving our economic problems? Then, once there were clear signs of results being reached they could be confirmed at meetings attended by the Heads of Government.

It is intolerable that the public should be given the idea three times a year that something is going to happen because the Heads of Government are meeting. Unless a communiqué is issued each time, preferably containing something new, there is invariably talk of defeat.

The fact of the matter is that nowhere in the world can new progress take place to order in all fields at intervals of a few months. In most cases progress is only made when the time is ripe and after careful and tenacious work has been done behind the scenes.

Mr President of the Council, I hope you will take what I have said as an expression of the fact that I am an ardent supporter of the European Communities, and bear it in mind when the Council again comes to consider how the work of the Community can be strengthened, particularly as regards employment policy and solidarity between the Member States.

*(Applause)*

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

**Mr Fellermaier.** — *(D)* Mr President, ladies and gentlemen, a German newspaper once said of the Luxembourg Prime Minister and President-in-Office of the Council that he could accomplish all things with political charm. Today in this House this compliment can be applied with full justification, because he even managed to present in a somewhat hopeful light the pitiful result of the European Council meeting.

I do not wish to repeat what my friend Mr Stewart has already said in introducing this debate about his disappointment, which is doubtless shared by other

**Fellermaier**

members of this House. I should like, however, to deal with something the President-in-Office of the Council said in passing, namely that he would not regard as unusual the fact that there was no communiqué about the meeting of Heads of State or Government. Considering that the French President inserted a day's excursion into his programme in Moscow so that the French and Soviet Governments could after all have time to work out a final communiqué, one wonders what the situation really is among the European Heads of State or Government if they cannot even agree about telling the people of Europe what they have achieved or failed to achieve in Luxembourg, and leave the interpretation of the results to the national parliaments.

What I therefore wish to ask you, Mr Thorn, is : what is to be the definitive interpretation : your exposé before the European Parliament or, for example, the statement from the Italian Prime Minister in the Chamber in Rome, or the official statement from the German Federal Chancellor tomorrow in the Bundestag ? What is the definitive text ? Which text can we use if we want to try and analyse objectively where the Heads of State or Government encountered difficulties ?

What, in fact, is to happen at the next meeting of the Council, which has already been announced ? Are we faced with the likelihood that there will be no communiqué then either because no agreement can be reached on the lowest common denominator ? It is in this respect that I attach considerable importance to a communiqué, unless you can assure this House in so many words that you are in a position to present the statement you have made today also on behalf of the Heads of State or Government of the nine countries of the European Community. I should be grateful if you could, for we would then have an interpretation for future reference. And now a word to you, Mr Haferkamp, as the representative here today of Mr Ortoli, President of the Commission. Were the comments you presented here on behalf of the Commission regarding the dearth of results at the European Summit not rather inadequate ? Do you not think that the Commission, as guardian of the Treaties and as the moving force behind the Communities, could be expected, together with this Parliament, to speak more plainly ? Or is the Commission already showing so many symptoms of poor health because it was announced at the meeting of Heads of State or Government that there were plans to have the new President of the Commission nominated by the Heads of State or Government this summer ? Do you not also think, Mr Haferkamp, that the reverse should be true, that the Commission, precisely because it knows it is in the last year of its period of office, has all the more reason to show strength and courage, as the moving force behind the Communities and guardian of the Treaties, even to the extent of risking confronta-

tion with the Heads of State or Government if necessary ? We want, and I say this on behalf of my Group, a greater commitment from this Commission, so that Council meetings do not become a series of disappointments.

**M Thorn**, yesterday you returned from the routine meeting of the Council of Foreign Ministers. You have been President of the United Nations General Assembly. Is it not a cause for dismay and concern to hear today, according to all of yesterday's agency reports, that in the question of the law and of the attitude of the European Communities at the New York Conference on the Law of the Sea, held under the auspices of the United Nations, once again no consensus was reached on a joint European position. What, in fact, is left if Council meetings are accompanied by a series of disappointments ? How can you, Mr Thorn, on behalf of the Heads of State or Government, explain to us, members of Parliament, that we must maintain the belief in European Union among the peoples of Europe, if you constantly have to come to us with results such as these ? This is not meant personally as you have fought and at times suffered for Europe. Those quarters, however, which decided to create the European Council to surmount the other Councils prove so far to be hindering them thereby rather than strengthening them.

*(Applause)*

**President.** — The debate on the first part of the statement by the President-in-Office of the European Council is closed.

For the second part, concerning direct elections, I call Mr Patijn to speak on behalf of the Socialist Group.

**Mr Patijn.** — *(NL)* Mr President, as I am to be spokesman for my Group I shall make use of the speaking time my Group allocated to me.

I think that the reasons why Parliament takes a negative view of the results achieved by the European Council have now been sufficiently illustrated in this debate. One of the European Council's cardinal errors was that it met at the summit. Once there, perhaps they were surrounded by mist on the Kirchberg, the members were not sufficiently aware of how much this Parliament and that section of the population of Europe which takes an interest in European matters were looking forward to the decision on the European elections. It was a great psychological mistake to think that this decision was just like any other. The European Council thought, 'we can talk about the snake, we can talk about European Union and we must make progress in these fields. The decision on European elections is one of the questions in this context'. I think it was a great psychological mistake not to realize that 1 and 2 April 1976 were more important than the normal meetings of the European Council, which are held three times a year.

## Patijn

As rapporteur and spokesman for my Group I am, of course, glad that certain things which had hitherto been left open were in fact decided, for example, the date of the election, the method of vote counting and the procedure to be followed. Parliament did not get everything it wanted, but I do not think that is so important. You know from the Parliamentary delegation which visited the Council that we have always been flexible in this respect. Parliament has never tried to use a technical issue as an excuse to hinder the Council in making a decision concerning European elections, and if we did not get exactly what we wanted with regard to certain points mentioned by Mr Thorn, I should like to say that for my part as rapporteur I would never use them as an argument for opposing the decisions of the Council regarding European elections on all the points he mentioned.

But a psychological error was definitely made.

And now the question of the distribution of seats. As I understand it, the President of the Conference of Heads of Government was just as surprised at the proposal from the French President as the French delegation itself. The proposal that the existing number of seats, i.e. 198, be maintained came as a complete surprise. I should like once again very clearly to go over the basis on which Parliament is working. Each Member State must have a number of seats equal to at least the present number. Parliament must not expand to the point of inefficiency. Seats must also be distributed on a proportional basis as far as possible. Now, however, we are suddenly confronted with a proposal which commands all of our attention and one which comes, moreover, from the very Member State which had hitherto always said that the proposed 355 seats for the European Parliament was not enough in proportional terms since it did not adequately meet the needs of the larger Member States.

One would surely assume that under the circumstances such a state would make a proposal designed to introduce a more proportional system. What has in fact been proposed, however? A reversion to 198, a figure which is even less proportional and which only makes it more difficult for the population to be represented in Parliament. This proposal would mean that one member of Parliament would represent 1.2 million people. And people still talk of 'representation'! Our proposal on this matter was perhaps a little unambitious, but this is, of course, where we come up against the greatest difficulties, even if we disregard for the moment the question of proportionality. I fully realize that Parliament's proposal is not sacrosanct; it is not a law by which the Council must abide. And it is of course possible — I have naturally looked into this matter myself — to draw up a system based on the present number of seats with an additional proportional part which would be more in accordance with the wishes of the large States. These are all feasible

possibilities. All sorts of solutions are possible. The president of the Council knows that we have always said, 'you can discuss the number of seats with us on the basis of the criteria'.

But, Mr Thorn, there is still the question of what is happening. Is Parliament making concessions and accepting all manner of things only to hear in July that European elections are not quite such a good idea after all, because in the final analysis the main issue is the European elections themselves, not the number of seats. As you have reminded us here, all the Member States have repeatedly declared themselves in favour of elections in May 1978. All the Member States have said 'May 1978, that is when it must be'. A year ago the Member States said 'if we cannot decide quickly now we shall find ourselves short of time'.

Where is the snag? A decision has still not been reached and yet the date of May 1978 is repeatedly mentioned. I have my own doubts. I have my doubts about whether all nine Member States are firmly resolved to maintain this date. I should be grateful if the President of the Council could explicitly confirm his impression that the real issue last week was the distribution of seats and nothing else.

Mr President, I think we are in a situation where Parliament must state quite clearly where it stands. We did this last month and we should do it again today. The resolution was signed by the Chairman of all the Groups.

There is one thing I do not understand, namely how a Council can set up a working party to discuss the Tindemans' report before any decisions have been reached. What is this intended to achieve? What is needed is not a report on the report but some decisions. It has not even been possible to decide whether the people of Europe should be represented by 198 or 355 people. What is this exercise with Mr Tindemans supposed to lead to if it has not yet even proved possible to reach agreement on the question of the elections? How do you think it would now be possible to use the great psychological pressure which, up to last week, had been brought to bear on the European Council in connection with the elections, in order to make European Union a reality? We cannot even agree on the number of seats in Parliament. How in Heaven's name can people really believe that progress will be made in these matters?

I should like a very explicit answer to one more question. Is it true that the Council of Foreign Ministers could reach a decision on the Convention when it meets in May of this year? Or must we wait till July when the nine gentlemen meet again to have another little chat? If the Council meets in May, can the decision regarding the distribution of seats be taken? If so, this means that the President of the Council, the national parliaments and the Members of the European Parliament will have an enormous responsibility

**Patijn**

to bear between now and May since they will have to exert diplomatic, political and parliamentary pressure and say, 'enough of this'. We want a decision in May and have no more shilly-shallying over the seats.' If this pressure is not brought to bear and it turns out that no agreement on the distribution of seats is reached in May, then I must doubt the Council's willingness to hold European elections at all, and if this is true, the European Council which is to meet in July can, as far as I am concerned, go and get lost.

Finally, I should like to say that my Group is, of course, satisfied with the technical progress that has been made. We still have a number of doubts, however, as to what people actually want. As far as we are concerned, if no agreement is reached before summer we can certainly forget about the Tindemans exercise. Then we can forget about European elections and, for the time being, we can forget about Europe too. I know Mr Thorn would not personally like this to happen and that he will do all he can to see that agreement is reached. But there is one question on which a decision must definitely be reached — the European elections. If this cannot be done we can forget about the debates on the Economic and Monetary Union, all debates regarding European Union and anything else we are currently working on. You cannot really expect us as Members of Parliament to have any interest in all these high-flown projects which the European Council is discussing if they cannot even manage to reach a decision on something as simple as democratic legitimacy in Europe.

*(Applause)*

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

**Mr Klepsch.** — *(D)* Mr President, ladies and gentlemen, 1976 began as a year of high European hopes: we received the Tindemans Report; we assumed that it would be the year in which direct European elections became an irrefutable fact for everyone; the European political groups made determined efforts to form joint party organizations so as to create, in party-political terms as well, the necessary structural conditions for this nascent politically united Europe. All that was in January and February. And now, after this so-called summit conference, we are faced with a situation in which not only all the heady dreams have been brought into question, but in which we must even seriously question whether it will be possible to preserve what has been achieved so far.

My task, on behalf of my Group, is to say a few words on direct elections. We all know that this time it was at a summit conference that the idea of finally holding direct elections originated — as the official records show — and that it was made something of a touchstone for whether the governments seriously meant to promote the development of Europe. It is true that some people wondered whether it was perhaps an alibi for inactivity in other areas, but as is

went to happen in such cases, the idea of direct European elections began to assume an importance of its own. It captured the interest of the peoples of Member States. Discussions of the ways and means to be employed for choosing members of the European Parliament and the necessity of making political preparations everywhere attracted a great deal of public attention and created the belief that a significant step forward was now going to be taken in the further development of the European Community and its democratization. Today we are all the more dismayed, and the adverse effect on public opinion cannot be ignored, that what the Council itself had made out to be a touchstone — and here I can but agree with my colleague Mr Patijn — now has the appearance of being ground down further and further in the mill of technical detail, so that there is a danger that it will disappear completely.

I can only say that the idea of direct elections is one of the levers that must be applied if the public and our peoples are not to go on losing confidence in the Community's genuine will to follow a policy of solidarity and joint action. Our discussions have shown that this Parliament, although not always altogether in agreement about the number of seats and proportionality, has nonetheless managed to agree on a joint draft, and we in fact assumed that if the members of the European Parliament, who are sent here by the national parliaments, submitted a joint proposal to the heads of government, who are after all also dependent on the national parliaments for their mandate, the remaining problems could only be a matter of settling technical details. And for a long time that is what we were led to believe. We are all the more surprised now to be confronted with the question — and in this I can only agree with Mr Patijn — of whether it really is only a matter of a technical problem which remains to be solved, or whether the idea of the further development of the Community is not in the process of being dropped completely.

There is one more thing I should like to point out. For months committees and working parties of the Council have been preparing this decision. It is thus not one that would have had to be taken precipitately. Right from the start it was clear to all sides that in the question of the number of seats there would have to be a compromise. I say that with particular regard to my own Group, which has come to accept this compromise although it originally had rather different views. It is all the more disappointing to see that the Council has not managed to come to a decision. I can only repeat emphatically what my colleague Mr Bange-mann said earlier: the Council is endangering the credibility of the European institutions, and none of us — let there be no mistake about that — including the Commission and this Parliament, will be thought of any differently from the particular body that is incapable of reaching decisions. Knowing that we have this cross to bear, we are duty bound to say to you now that what has been produced here will be

## Klepsch

received with very little favour in the national parliaments.

My Group will take up this question in all the national parliaments in which it is represented and ask the governments how they can justify the way in which the citizens of Europe and the European political parties are being led up the garden path in this matter.

I would thus ask you sincerely to appreciate that although we do not regard the compromise plan submitted by Parliament as the last word in wisdom, we do think it offers a workable basis for discussion. Perhaps a detail here or there could have been improved, but it will not be possible at the last minute for us to accept any radically different concept with enthusiasm. If the idea of direct European elections was rightly expected to mobilize the people of Europe, it must be obvious that if Parliament is kept down to its present numbers many people will wonder whether it is worth the effort and whether a European election campaign for such a parliament will not be more or less a mere shadow of what we had expected up to now.

I am very grateful to Mr Thorn for what he said this morning by way of a personal commentary. I am sure that he meant it when he said that during his presidency of the Council he would see to it that this decision was taken. We thank him for that. We are sure, Mr Thorn, that you will do all you can. But we would like to point out that this Parliament commands respect as the directly elected representative of the people of Europe and that particularly with regard to elections it cannot allow itself to be fobbed off with promises for the distant future. A process of discrediting the idea of direct elections has already begun. What we expect and demand, and my Group will support this everywhere, is that the decision should be taken without delay, and that consideration should be given to what this House has taken as the basis for its deliberations in several debates and for several decisions largely along similar lines. That, Mr Thorn, is our appeal to you.

(Applause)

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

**Lord Gladwyn.** — Mr President, it was of course the greatest pity, to say the least, that the last European Council was unable to reach any decision on the number and distribution of seats in the Parliament which all the Ministers still say — and we must believe them, I am sure — they still want to have in 1978. Nor do the prospects, I am afraid, for agreement on July 1 or previously seem to be exactly bright. So we must presumably consider all possible ways of avoiding disaster. It seems likely, from what I hear, that failure on April 2 was largely, though naturally not entirely, due to the internal political situation in France. Anyhow, it was presumably, as a result of this

situation that the French President put forward at the last minute his proposal that the numbers and composition of the directly-elected Parliament should remain as they are. For this, so we must understand, would have from his point of view the advantage that no actual amendment to the Treaty would be involved and that no formal Parliamentary ratification of the eventual plan for direct elections would consequently be necessary. Unfortunately, though it would seem that in the last resort — I may be wrong — the French President's new plan might be accepted as a complete *pis aller* by six of France's partners, it would place both the United Kingdom and Italy in an almost impossible position: for it would not enable them to make any adequate provision for regional representation or indeed for minority representation either.

Whilst still entirely agreeing for my part with paragraph 4 of the draft resolution now in front of us in the name of my leader and others, I suggest, therefore, that we ought to examine any idea, however novel and contentious, which might remove some of the difficulties which apparently confront the French President and at the same time make his scheme less unacceptable at least to two of France's partners. I therefore throw out the following idea. The numbers and the distribution of seats in the directly-elected Parliament might remain as they are at present, but in addition to the 198 deputies there should at the same time be elected — presumably, we should hope, by some form of proportional representation — 198 substitutes or *suppléants* who, as in the Assemblies of the Council of Europe and WEU, would nevertheless have the right to attend and speak in plenary sittings and in all committees, though without the right to vote, except, of course, in the absence of their senior partners. The substitutes would naturally be of the same political persuasion as the deputies they duplicate, so that the political set-up within the new parliament would in no way be affected. They would also be able to assist their partners in attending to the needs of the very large constituencies which would probably be involved — 36 only in the case of the United Kingdom — all the more so as there would be seven or eight Scots, of whatever political party, present in Strasbourg, Brussels or wherever, to see to it that the interests of that important region were duly furthered. I should add that this scheme bears little or no resemblance to the *suppléant* system which is at present practised in France; for it is based fundamentally on the system which has been successfully functioning for many years in two multinational parliamentary assemblies. And even if it is by no means an ideal system, it might be applied, perhaps, during the first period of the elected parliament.

I have no time, Mr President, to deal with such difficulties as the remuneration of substitutes, the extent to which they would have access to national parliaments, the legal consequences of the proposal and so

**Lord Gladwyn**

on, except to say that in my view they could all be overcome. So all I suggest is that this plan might at least be considered in the event — but only in the event — of a complete deadlock.

*(Applause)*

**President.** — I call Sir Peter Kirk to speak on behalf of the European Conservative Group.

**Sir Peter Kirk.** — Mr President, the sole justification for the institution of the European Council — a body about which this House has, rightly in my opinion, always had certain reserves — has been that it is, in the last resort, a body that is capable of taking decisions. Indeed I remember not so many months ago a very eminent member of that Council, not Mr Thorn, and not indeed the Prime Minister of my own country, either the last one or the present one, explaining to me at some length how there were too many Council meetings, there were in fact too many councils, there were finance councils, agricultural councils, budget councils, God knows what councils, and the European Council was necessary to cut through this undergrowth of bureaucracy and national participation to achieve truly European decisions. I think he was right, and I think the failure of the European Council that has occurred within the last week proved that even that body cannot achieve results, even in a matter like European elections, when everybody is agreed on the principle and all we are discussing now are the details.

Perhaps I could say to Mr Thorn, as a unique figure in this because he is a member both of the European Council and of the Council of Foreign Ministers, that from what he had to say to us this morning I deduce perhaps the hope that we shall now begin to get back to the traditional method of decision-making in the Community, which may not have been terribly good but at least served us fairly well in the Community's first twenty-five years. Here we have a matter of principle which is written into the Treaties on which we are all agreed and on which the other institutions, both Parliament and the Commission, have done their work. The Council of Ministers apparently is not allowed to proceed because this new animal, the European Council, must seize the glory or, in this particular case, the infamy of reaching or failing to reach a decision.

There is one matter and one matter only that is outstanding and that is the distribution of seats between the Member States. With great respect to my friend, Lord Gladwyn, I would say to him and to Mr Thorn, for Heaven's sake, do not let us complicate the matter now. It is bad enough that the French Government has produced a new scheme at the last moment, but if we are going to try and elaborate on that scheme, God knows where we will all end up. We know, and I think the Council knows, roughly what we want, namely a Parliament of somewhere between 300 and 400 Members with no Member State

receiving fewer seats than it has at the moment, but, with that one qualification, with the greatest possible degree of proportional representation. That was what was behind Mr Patijn's proposals. He knows perfectly well we did not agree with him at the time. We thought we might have a better formula, and we could argue about formulae until the cows come home, but what we need now is a decision. If the European Council is incapable of taking the decision, then for God's sake, let us refer it back to the Council of Foreign Ministers and hope that they can take it. Perhaps the only real good thing that has emerged from this discussion today is that at least from now on we are going to be kept in the picture, and that the process of concertation will proceed in this particular area. I would be much happier, and indeed I suspect that Mr Thorn, from what he had to say, would be much happier if it was co-decision rather than concertation, but nevertheless we must accept our limitations. But let us come to a decision, let us not complicate matters, let us accept that we are none of us going to agree unanimously in the long run and without any qualification at all on whatever formula is reached. Let us accept that within a democratic organization that is always bound to be so. We have our reservations, we have always made those reservations clear. No doubt the select committee of the two Houses in my own country will explore those reservations very fully, but what we need now is a clear-cut decision, which can then be accepted or rejected by the nine Member States and their parliaments and it will be their responsibility.

*(Applause)*

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

**Mr Boano.** *(I)* Mr President, I have just two remarks to make.

Firstly, no European Council or Summit has ever been preceded by a series of such pessimistic forecasts as the latest Luxembourg meeting and no meeting has ever fallen so far short of the already disappointing progress. The European Council — to go back to a concept formulated by Pierre Drouin — was born out of the logic of the embroideress who, unable to continue her work on the sleeve of the dress, starts on the collar. Similarly, the European Community, after witnessing the failure of the ambitious projects (Euratom, economic and monetary union, the Rambouillet decisions) to which it had devoted twenty years of work, had decided to tackle the hardest political nut, direct elections to the European Parliament. Then the sudden drastic deterioration of the economic situation promoted one of the Heads of Government to ask for the economic and monetary problems to be included on the agenda. This raised a flood of issues and at the same time made it plain that the discussion would be confused and that a clear-cut decision on any point whatever could be ruled out.



**Boano**

What worries us, Mr President, is not so much the postponement of a decision for two months, even though, from the technical point of view, this could prove a serious obstacle to the holding of the election on the date trumpeted so confidently to the European public, but the fact that these difficulties, so manifest and so typical, seem to betray a deep political disenchantment, as Mr Klepsch said earlier. That is why, for us, the failure of the Luxembourg meeting is not just another disappointment to be added to the list, but a unique one in that it seems to render the future hopeless by jeopardizing an aspect of Community affairs — that of direct elections — which has the greatest appeal to the people, since it is one of the most tangible and symbolic testimonies to the political reality of a Community.

In the face of this new and painful reality, I do not think that the contribution of this Parliament should be limited to complaining. In the political Group to which I belong there were heated reactions this morning. Some members repeated what Sir Peter Kirk, referring to the example of a long and noble tradition in his country, has so often stressed in this House on the subject of the assumption of power by parliaments. Others referred to the efforts over the years of President Spénale and Mr Aigner, arguing on the basis of the Treaties with tenacity and intelligence, to bestow greater powers on the European Parliament and it was concluded that this House must demonstrate more clearly and more directly its resolve to act, calling also upon the public for its encouragement and support. The Political Affairs Committee will deal thoroughly with this problem and undertakes to submit guidelines to Parliament on this subject.

For my final remark, Mr President, I should like to reiterate what Mr Bangemann and Mr Klepsch have already said. We must forestall fresh disappointments. Disappointments may be a matter of course for us, but this is not true of the public. Growing accustomed to disappointment not only dampens hopes, but also dulls the public's capacity to react. In conclusion, I should like to recall that not only do we have obligations vis-à-vis public opinion in our own countries, but also — as anyone who has been around the world can confirm — vis-à-vis the opinion of hundreds of thousands of citizens in other countries who — mistakenly, alas! — see Europe as a model of hope and of political organization for the future.

*(Applause)*

**President.** — I call Mr Thorn.

**Mr Thorn, President-in-Office of the European Council.** — *(F)* Mr President, ladies and gentlemen, I shall try to be as brief as possible. I do not know how long I shall speak, but one thing I can promise you is that I shall be very frank. You have often criticized me for using over-diplomatic language. So let us be frank but remember that we are friends. Apart from a

few members of this Parliament — to whatever group they may belong — who have never really liked the Community, never will like it and will make little contribution to its construction, it is my belief that the overwhelming majority here shares my desire to see a united Europe. This Parliament which fortunately misses no opportunity — and it has given another eloquent demonstration of this today — of criticizing the institutions, the Council, the European Council and the Commission, must also accept criticism, without the friendship and good relations which exist between us being damaged thereby.

When Mr Fellermaier asks me: 'How can you expect us to believe you? How can you expect to make us believe that ...?', I must reply, Mr Fellermaier, that nothing is further from my mind than to *make* you believe anything. All I am concerned to do is to tell you what I think and what I have experienced and you can draw whatever conclusions you like. I am not trying to sell you a line, I am not being paid to peddle the theories of a few Heads of States and Government. I am telling you what I honestly think because I have nothing to gain by doing otherwise. Since I am not answerable to you, since I do not owe my mandate as President of the European Council to this Parliament, you can be sure that I am telling you what I really think. What I am going to say now should make this clear.

I do not think that the European Parliament is a place in which the Coué method should be applied, where it should be said: 'We must believe in Europe, etc.'. True, Europe is in bad shape, but I think that the only people who can help us build it are the Members of this Parliament themselves. I do not want to send you to sleep, you misunderstand me. On the contrary, I want to wake you up. But I do not want to see you launching a barrage of lamentations in a perpetual search for good news if I do not have any to give you. I am telling you the truth, the whole truth and nothing but the truth.

*(Applause)*

During this debate mention has been made on several occasions of disappointment, duplicity — which I am supposed to have been guilty of — and the lack of a communiqué. I should like to briefly discuss each of these points. At the end of my address this morning, I told you that I had tried to do my duty as honestly as I could. Many of my colleagues, both Foreign Ministers or Heads of State and Government, were concerned to know what I was going to tell the press last Friday and what I was going to say to Parliament. I made it quite clear to them that I would try, as always, to follow the example of my Luxembourg predecessors and do my duty honourably, that as President of the Council and President of the European Council I was the servant of all, and that in speaking to the press on behalf of the Nine I would obey the dictates of my conscience. That is how I spoke to you

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this morning, without using the slightest subterfuge and in accordance with my most profound beliefs.

I should now like to state my own personal point of view.

I too have been experiencing one disappointment after another. I too am disappointed by the results of the European Council and the results of the Council of Ministers. And to be honest, I have not been comforted by this debate.

In fact there is no point in saying one is disappointed; one must say what one wants; one must say what is wrong, what must be changed and draw the appropriate conclusions from failure. We are not here to whine and complain, we are here, both you and I, to react. Let us do it together, you can count on my support.

*(Applause)*

Let us, then, try and analyse the real problems with which Europe is faced today. Let us return briefly to the first exchange of views which we had on the economic, monetary and social situation. It is rather difficult for me to make you realize that the worrying thing after this European Council is that, although the results are not nearly so bad as you think they are, Europe is perhaps in worse shape than is generally thought.

The first item on the agenda was the traditional review of the economic and social situation. When the European Council was set up we agreed to exchange views on this problem at every meeting. It is only because one of the Member States left the snake three weeks before this Council meeting and because the Head of this State made a personal comment ten days ago — he said 'I should like monetary problems to be discussed' — that everyone started wondering what decisions would be taken. The fact that certain proposals had been made by the Minister of Finance of this same government a few weeks before led to a certain amount of speculation, in both the political and monetary sense of the term. I was therefore obliged to tell the press what was the naked truth, namely that there had never been any question of this European Council discussing monetary problems, a return to the snake or the extension of margins of fluctuation. We should not forget that even the New York stock exchange speculated at that time against the European currencies on the basis of those statements.

As usual the various Heads of Government discussed the manner in which they envisaged economic recovery in their countries, the foreseeable trend in the rate of inflation and the rate of unemployment and possible ways of curing these ills. These issues were dealt with in great detail. I must pay tribute to the Commission which produced a courageous document outlining the action which it felt that the Councils of Ministers should take in the future. We read

and analysed this document and fixed certain guidelines. Incidentally I cannot understand why you failed to see that the European Council must lay down guidelines for the Finance Ministers.

You tell me that the latter know perfectly well what they must do. But if you take it for granted that the Finance Ministers know how Europe should be built — perhaps the Ministers of the Economy, Foreign Affairs and Agriculture also know — you must follow your line of reasoning through to its logical conclusion, namely that the European Council is superfluous. But you cannot say, as you have said this morning, on the one hand that The European Council must lay down guidelines and on the other that it is usurping the role of the other institutions. It is essential for this Council, if it is to have a *raison d'être*, to lay down guidelines. But as in the Parliament and in your national parliaments, it is not always possible to reach unanimous decisions at the first attempt. You tell me that we achieved little, because we confined ourselves to reaffirming our faith in economic and monetary union.

I do not have the honour of knowing you all personally, since I left this House eight years ago, but I still know a great many of you.

Do you really believe that it is achieving little to reaffirm one's common and unanimous faith in economic and monetary union after the departure from the snake of one of the Member States three weeks ago?

Can you really imagine us beginning the debate in the European Council by saying 'It is over, after these disappointments there is no point in our discussing economic and monetary union any further, let us wait for better days before we discuss it again'. Are you really not aware that there is a government in the Community which shrinks from discussing it, even more so now than before. I think the speaker who criticized us in this respect is in a particular good position to know which government is not in favour of economic and monetary union. Despite the serious monetary problems which we are currently experiencing and despite the fact that we have reached an all-time low, we succeeded in reasserting our continued attachment to economic and monetary union. True, it will take us a long time to achieve it, perhaps even a generation, but we shall ultimately have a single currency. We have committed ourselves to achieving economic and monetary union. You may think this a small achievement. For my part, I am pleased that we have produced this result.

Secondly, you consider that the fact of asking the governments to observe, in future, four principles of strict discipline with regard to budgetary deficits, the balance of payments, incomes policy and wages policy — which ought to be common policies — is doing the obvious. With all due respect to every Member of

## Thorn

this House, I would ask you to consider for a moment the various national budgets of the Community. Perhaps you will then realize that we are not doing the obvious. To this day our nine governments have quite clearly not succeeded individually in showing this self-discipline. And this is what, after hours of discussion, we asked them to do. We examined the Commission document which even mentions the possibility of applying sanctions if this discipline is not observed. While opinions coincided on this issue, we were almost afraid of the Commission's courage and our own courage too, as this would be the first time that the Community imposed sanctions — possible suspension of Community credits and aid — on any country not observing these principles, any country deviating from the criteria established by common agreement. Is there anyone in this House who does not realize what this implies in terms of interference in national sovereignty and prerogatives with respect to the drawing up of budgets?

I remember one of my colleagues saying: 'Gentlemen, I am willing to agree to this, but I hope everyone will give thought to the matter and realize what he is committing himself to, because once we have agreed to adopt this course, there can be no deviating from it two months later, as happened with the snake'. So I ask our Economics and Finance Ministers to study the matter in depth. I hope the Economics and Finance Ministers will achieve a solution, but I think that the proposals made by the Commission and others in this area are worth taking seriously.

If you don't mind, I should like to make a comment in connection with this first point. I have been criticized for the lack of a communiqué. Mr Fellermaier, I know how noble and praiseworthy your intentions are in this question, but as a minister who has also attended numerous meetings of NATO and other organizations, I can assure you that the President of the European Council and of the Council of Ministers does not even have the right to tell his colleagues that they must sit for 24 hours or until 6 o'clock in the evening! If they want to go, they just go. If you only have one day to discuss such important problems and if you poison the atmosphere from the outset with a communiqué, you will do even less work. I am suspicious of meetings for which a communiqué is prepared three weeks in advance and at which there is no discussions at all.

A record must be kept of what has been said and what has been done and if it is in this aspect that you are criticizing I fully share your point of view since this is the heart of the problem! I think we must be courageous enough, you as parliamentarians and we as ministers including the members of the European Council and those who had the idea of instituting this Council, to say what is wrong and, as I clearly stated this morning, things are not progressing as they should. Why not? Mr Michael Stewart and Mr Alfred Bertrand perhaps misunderstood me this morning

when I said in my first address that I was afraid the hopes invested in the European Council might rob the other Community institutions of their substance, their responsibilities and even their powers.

You both immediately took me up on this, pointing out eloquently and adroitly that was not what you were afraid of; rather were you afraid the the European Council would not do anything at all. You were right to react in this way, but I to am right, because there is a danger that the European Council will decide nothing and that it will also prevent others from deciding anything.

Previously we had a Council of Ministers above which there was nothing and which had to take decisions. The Council now has above it the Heads of State and Government to whom appeal can be made when arbitration is necessary. And Ministers who are often instructed by their Head of State or their Head of Government to block matters or to be tough tell themselves that those who sent them to block matters or to be tough tell themselves that those who sent them to block discussions on a particular point will also tell them, since they meet at least once every three months, when they decide to get things moving again.

In other words, I regret to say that if this were to happen the important issues would remain unsettled at the Council of Ministers and would be left for the European Council to deal with. From that moment on the European Council would no longer be what the French President and many others intended it to be and what you yourselves, I believe, hoped to see it become, namely the supreme body of Heads of State and Government, which would hold periodic discussions on future policies, while occasionally arbitrating on matters of real political importance and fixing timetables.

To my mind, this European Council, this Council of Heads of State and Government, should set priorities, examine doubtful points, and, if there are any major difficulties, devise ways of easing them.

But we must not reach the point where the Council of Ministers no longer takes decisions on any important issues and refers these decisions to a European Council which, moreover, on account of the confidential nature of its activities, is not equipped with a Secretariat and where the Foreign Ministers often do not know what the Heads of State and Government have said. There has been no point in these fireside chats since it was decided that in Community matters the European Council should take decisions according to Community procedures. It is therefore necessary, according to Community procedures, to make serious, written preparation for it, with a minimum of red tape. Whether we like or not, we must now make a completely objective examination of conscience. The Heads of State and Government must make their contribution; of that we are absolutely convinced. So let them make the greatest possible contribution; in

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other words, instead of usurping the role of the Council of Ministers, which is the decision-taking body, let them give the impetus, let them provide guidelines and perhaps act as arbiters in matters of major policy. That is the point I wished to stress.

*(Applause)*

My second point is that there is no order of priority as far as the European elections are concerned. I do not have much to add on this issue. I still support the European Parliament's proposal, let there be no doubt about that. I would add that the majority of the members of the European Council still support it too. But, as you know, there is a problem, and there is a danger that we will not reach unanimous agreements. Unanimity is, however, unfortunately, necessary. We may regret that the French proposal was made in the closing moments of the European Council, but it is there now and we have mixed feelings about it. If a maximum of 36 members or a minimum of 6 members are elected, the European elections will not, let us be frank about this, have the impact we would have wanted.

This proposal certainly involves many drawbacks, not to mention the disadvantages involved for certain parties, as some speakers have already pointed out this afternoon.

On the other hand, there is the question of principle. If the heads of delegations — and why should I doubt this after what each of them has said — want to make sure, by means of a new proposal, that the elections are held as soon as possible, we must each of us think about where our priorities lie and what is most vital. Is the essential thing to get started with the elections? This would immediately provide a new dimension, and this Parliament, whose current composition has its advantages, since it has now been operating thus for 18 years, would derive even greater legitimacy from this election and might even secure further powers more easily and, acting as a constituent assembly, practically give birth to another Parliament elected on the same lines as in our nine countries. If you were to come to the conclusion that it is vital for swift progress to be made in this direction and that any hesitation may complicate matters, each of us must think about what he is prepared to sacrifice in order to achieve this.

This is something which we must do at government level and you too, ladies and gentlemen, will have to examine this problem.

A third point, on which I should like to be very frank, still in a personal capacity, concerns the discussion of the Tindemans Report. You were wrong to condemn, like the international press, the absence of conclusions on the economic and financial situation. But I shall not go back over what I said a few moments ago.

You were wrong, to be quite frank, to protest so feebly about the action taken on the Tindemans Report. For

this is what we must be most afraid of, namely the clear lack of serious willingness to tackle the meat of the Tindemans report and to state clearly what tomorrow's Europe will be like. I personally feel that the reason we are experiencing so many difficulties, at all levels, at the level of the Council of Ministers and the European Council, before public opinion and in this House, in preserving our credibility and making progress, is that no-one can tell European public opinion, and our young people in particular, what we want to achieve in tomorrow's Europe. According to some, we must build it up brick by brick; according to others, we must build the roof first; yet others say that the bricks should come first. All I can say is that I have never seen a house built without a plan of some sort.

And this is precisely what we do not have. There are nine of us stirring the mortar and shifting the bricks but we do not yet know what we are going to build. In the meantime we carry on lightheartedly widening the circle every year and saying to the newcomers: in accepting our achievements and our dynamism, you are also accepting all that these will lead to. But since we ourselves do not know what we are asking them to accept, only the future can tell whether they can accept everything.

One day, however, we as governors and parliamentarians will have to know and public opinion will have to know where we are going. Whether we achieve our objectives in 1980, 1985, 1990 or 1995 is in my view secondary, provided that our parliaments and governments know that they are embarking on the same course. Accidents may occur but we must at least know in what direction we are going.

In today's Europe people seem to be saying that we are on our way, but when asked 'Where to?' they answer that they do not know.

At the request of the nine Heads of State and Government Mr Tindemans has therefore tried to invalidate the excuse invoked for the past five years that we do not know what European union will be. Mr Tindemans has said what form he himself thinks it should take.

We can accept Mr Tindemans' proposals, though we do not need to accept all of them. But in that case we must replace them with ideas on which the Nine are in agreement. But what we must avoid happening, gentlemen, is that on pragmatic grounds, and theoretically even to preserve European opportunities — though I do not believe in the sincerity of those who say this — the Tindemans Report be buried and with it the discussions on tomorrow's Europe. The danger then would be that we would stop at a simple customs union or an economic and customs union. I hope Parliament will be just as vigilant in this regard as I am trying to be myself.

That is my greatest fear and my greatest disappointment. In the course of the next six months we shall see whether I was too sceptical.

I have been criticized for being absent from the Chamber for a few moments. Mr Bertrand and Mr Aigner can testify that when we sat here for the first time in the European Parliament eighteen years ago, the President of the Council was not present. For the last two years I and some of my friends have tried to be present for at least one whole day. In this debate, as in many others, I have actually made a greater contribution and been present longer than most members. I hope that they will not make things more difficult for me and that they will remember this should certain presidents of the Council of Ministers or of the European Council not always be present at future sittings in person. I am sure that they will be just as severe with them.

*(Loud applause)*

**President.** — Mr Thorn, the attention with which Members followed your statement and the applause it received are ample proof of the confidence and respect which you command in this House. We know that you are going through a period fraught with difficulties, but we believe that under your leadership we should not have too black a view of the future.

I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — *(D)* Mr President, I should like to consider in some detail a few aspects which in my view should be particularly stressed in this debate. Much has already been dealt with by the President of the Council with great clarity. I should like to speak above all about one point which seemed to me and the Commission to be important for the European Council, and also for the future development of our Community. This point has been dealt with on a number of occasions. It is and must be our aim, if I may put it thus, in the weeks and months to come to put a stop to the drifting apart of the economies of our Member States. We took the liberty of referring to discipline and self-discipline in this context, which brought us both support and criticism. But I would repeat that discipline and self-discipline are indispensable, unless we want to risk having discipline forced upon us by the facts.

I want to substantiate this briefly with a few figures which are also available to the Heads of State or Government. How do you intend to keep a Community together permanently? How do you intend to achieve an economic and monetary union with monetary mechanisms in the face of the present trend?

The trend of jobs costs in industry over the last three years is as follows: if you take the figure of 100 for the Community, the Federal Republic of Germany is at the lower end with 46, and Italy still has 152. If you take consumer prices over the last three years, the

Federal Republic of Germany is at the lower end with 53, and the United Kingdom has 143. If you take the increase in public expenditure for last year, the Federal Republic of Germany is at the lower end with a 16% increase, and the United Kingdom had an increase of 33%. If you take the increase in money supply last year, the Federal Republic of Germany is at the lower end with 0, and the United Kingdom has 20. This seems to me to make it abundantly clear that, if such strains on the system persist, we cannot even think of discussing monetary mechanisms.

Anyone who maintains that the task can be accomplished on such a basis is either not telling the truth or has his head in the clouds.

Furthermore, such drifting apart involves us in more than just the risk of one country or another leaving the snake. This is where discipline and self-discipline must begin.

I must, I am afraid, quote a few more figures. We did, in fact, also provide the Heads of State or Government with the comparative figures for the Community (still equal to 100) and the United States in order to demonstrate what the situation looks like with regard to our ability to compete. We can pass long resolutions, we can hold eternal debates on the need to eliminate unemployment: if we ourselves destroy our ability to compete, those who talk about unemployment should stop wasting their breath, because they are deceiving the unemployed.

*(Applause)*

I intend to illustrate that with a few figures. The trend of job costs in industry over the last three years taken together is as follows: I quote the highest in the Community: Italy 152; USA 38. Consumer prices: United Kingdom 143; USA 72. Money supply: Italy 20; USA 9. Increase in public expenditure: United Kingdom 33; USA 21. I shall leave it at these few figures. We shall go into this matter in more detail. This morning the wish was expressed that it should be systematically discussed in the Committee on Economic and Monetary Affairs. I can assure you that we attach the greatest importance not only to its being discussed but to your drawing conclusions from it, ladies and gentlemen.

The President of the Council mentioned here that the Commission brought up the idea of sanctions. I should like to say something about this here. We demanded that, in order to put a stop to this drifting apart and in order to reverse the tendencies and bring the Community economies closer together, discipline should be exercised in those sectors which I mentioned this morning and which I now repeat: expansion in particular of the money supply and total credit outstanding, budget deficits, trends in costs, including wages, and balance of payments. However, we also expressed the conviction that everything must be done to provide Community help for those countries whose steps in this direction have led them into

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difficulties. I draw your attention to our Community loan, etc. Community solidarity must benefit those who want to tread the path to recovery.

But we also said that those who in future do not want or are not able to adhere to the Community rules must be prepared to justify themselves before the Community, and that they also run the risk of not being able to take as much advantage of Community assistance as when they act within those rules.

*(Applause)*

Ladies and gentlemen, we have been absolutely frank on this point and we shall continue to be so, since there is no way round it. If we do not stop this tendency to drift apart, there is more at stake than simply the withdrawal of a currency from the snake. I repeat what I have just told you.

Back in our national parliaments, ladies and gentlemen, you too carry supreme responsibility in all those sectors which I have mentioned. Who is it that decides on national budgets? Who is it who decides on deficits in the national budgets? Who is it who gives way when outgoings are greater than funds in hand? It is *you* and not the Community, and it is not the Commission either: you must not advocate this course of discipline in this House only or demand of us that we provide you with ready-made figures on a plate, you must act accordingly when you are at home. It could well happen that tomorrow, the day after tomorrow and in the weeks and months to come the governments, whose heads have in principle expressed support for these basic ideas, ask you to give them the support which they need in order to take this course. Then it is up to you to give this support at home as well. And I hope that you will do it, even if it is quite painful. It is more painful than continuing the course we have been following hitherto. You must give total backing — I said so this morning on behalf of the Commission, perhaps a little too quietly, and so I am saying it again somewhat more clearly — to everything concerned with Community policy, and I asked this morning why Parliament is not taking concerted action. Only one Group in this House has stated openly and unequivocally that it wants to do so. I hope that this does not mean that it will stand alone in the debates which, in your capital cities in the weeks and months to come, will also be dealing with Europe. It will be of paramount importance that we support, by giving help and if necessary by exerting pressure, the actions which will soon be necessary in all the meetings of the Council of Ministers as well as in the conferences between management and labour. The Commission will untiringly carry out what it considers necessary and possible, however painful it may be. It asks for your support.

*(Applause)*

**President.** — The general debate is closed.

We shall now consider the motion for a resolution (Doc. 45/76).

I call Mrs Goutmann for an explanation of vote.

**Mrs Goutmann.** — *(F)* Mr President, during the general debate on the European Council earlier, I emphasized that the election of the European Parliament by universal suffrage was an important aspect of the Tindemans report. This report drew up policies which would be binding upon all Member States, with scopes ranging from the economic and social field to that of defence and foreign policy.

One of the instruments which the Community would have at its disposal for implementing these policies would thus be a European Parliament whose powers would be strengthened and which would then take precedence, at Community level, over decisions by the national Parliaments.

In his reply, Mr Thorn substantiated many of my misgivings when he warned Members of the full implications of disciplinary measures in the economic field and the relinquishment of national sovereignty that they entail, and my misgivings were not allayed by the Vice-President of the Commission when he urged us to foster such policies at national level, whereas the duty of Members of Parliament is, above all, to safeguard the interests of those who elected them; in the case of French Members of Parliament, this means safeguarding the interests of the French people.

This is why policies and guidelines such as these, bolstered by the election of the European Parliament by universal suffrage, inevitably arouse our fears. The expression of the opinion of the people by universal suffrage must not take place in the midst of confusion...

**President.** — I called you for an explanation of vote, Mrs Goutmann.

**Mrs Goutmann.** — *(F)* ... Mr President, I have five minutes in which to explain my voting intentions...

The expression of the opinion of the people by universal suffrage must not therefore be exploited in order to implement policies which are contrary to the people's interests. For this reason, we consider the haste shown by the various governments and this Parliament to be dangerous.

The implications of universal suffrage are too far-reaching for it to be handled in this manner, at a time when the decision-making instruments of Europe are the big monopolies and their political puppets.

The French Communists of the European Parliament, for their part, will therefore vote against the motion for a resolution before them.

**President.** — I put the motion for a resolution to the vote.

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

<sup>1</sup> OJ C 100 of 3. 5. 76.

10. *Oral question with debate: France's withdrawal from the currency snake*

**President.** — The next item is the oral question with debate, pursuant to Rule 47 of the Rules of Procedure, put by Mr van der Hek, Mr Carpentier, Mr Suck, Mr Delmotte and Mr Giraud to the Commission of the European Communities, on France's withdrawal from the currency snake (Doc. 33/76):

1. What is the position taken up by the Commission on France's renewed withdrawal from the currency snake?
2. Has the French Government exhausted every possibility for support offered by the EEC Treaty and by the measures decided on in recent years?
3. What, in the Commission's view, are the reasons for this French move?
4. What foreseeable consequences will it have on the continued existence of the currency snake and the development of the Economic and Monetary Union?

I call Mr Carpentier to speak to the question and on behalf of the Socialist Group.

**Mr Carpentier.** — (*F*) Mr President, ladies and gentlemen, as our colleague, Mr Van der Hek, has had to return to his own country in order to fulfil certain obligations, I shall deputize for him on behalf of the Socialist Group to speak on the subject of France's withdrawal from the currency snake.

On 14 March last, after a period of intense international monetary speculation, the French Government decided to withdraw from the European currency snake. The setback which this decision represents has been repeatedly stressed. Following its first withdrawal from the snake, the French Government had been very pleased to rejoin it in July 1975 and had, on that occasion, emphasized the importance of this gesture within the context of the construction of Europe. Eight months later, it has gone into reverse, after apparently suffering heavy losses of reserves.

What can one read into this switchback process, otherwise than the failure to implement an economic and monetary policy capable of keeping the franc in the snake? And does not this failure in fact apply to the whole Community, which has proved unable to check the monetary speculation and reach agreement on a stable exchange rate for the European currencies vis-à-vis the dollar or, at least, on effective machinery allowing for cooperation between the different currencies?

The only real success in this operation can be claimed by the speculators handling floating capital, particularly 'multinational' capital.

What is perhaps most serious is that all this monetary disequilibrium places the Community countries as a whole, including France, in an economic and social

position which in some respects is more precarious than before and could well get worse tomorrow.

On the one hand, monetary instability persists and, as we all know, jeopardizes the regular flow of trade and, with it, the prospects of exporters and of industry as a whole.

On the other, this instability may well counteract certain desirable economic trends, intensifying in France, for example, the already considerable inflationary pressure which pushes certain prices up and makes credit dearer. Furthermore, what we have heard up to now conveys no hint as to how the return of similar chaotic conditions could be avoided in the short and medium term.

Do all the governments of the Member States now feel that they are able to keep such monetary developments under control? What measures are they contemplating? Bearing in mind the perpetual interactions between the economies of our countries, is a stable parity possible in the absence of an overall organization and substantial internal structural reforms?

We therefore feel it necessary to ask a question in three parts, as follows: Does the Commission feel that the decision taken by the French Government was inevitable, despite the blow that it deals to the construction of Europe? To what extent does it consider that this decision places the various member countries of the Community in a more advantageous economic and monetary situation? What measures does it feel are essential if such instability is to be avoided in future?

Both the Commission and the Council must realize that unless they come up with effective solutions to these problems, if, in other words, the present situation were to recur as a corollary of economic ups and downs, we would provide the peoples and, especially, the workers of the Community with an example of our total inability to prevent such messes and to solve the fundamental problems on which their daily lives and the progress which they are entitled to expect from Community action depends. If this were to happen, ladies and gentlemen, how would the construction of Europe look then?

(*Applause*)

IN THE CHAIR: MR BERKHOUWER

*Vice-President*

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (*D*) Mr President, I have already largely answered this question in my closing remarks on the previous item on the agenda. Oral Question No 33/76 which

### Haferkamp

has now been tabled is in four parts which I should like to discuss individually.

The Commission's answer to the first question is that the decision of the French Government to withdraw from the Community exchange rate system is further confirmation of the fact that this system remains in jeopardy as long as the Member States do not achieve decisive progress towards economic and monetary integration.

I turn now to the second question. Firstly, the French Government did not have recourse to all the Community's credit facilities available to the Member States. It did however make a certain use of the very short-term credit which is available to all Member States from the European Monetary Cooperation Fund.

Secondly, the French Government decided to allow the franc to float independently of the currency snake after considerable monetary reserves had had to be used in defending the agreed intervention rates and margins of fluctuation.

Thirdly, the countries which remain in the snake have declared their firm intention to maintain the European exchange rate system. The fact that four Member States are at the moment allowing their currencies to float clearly shows the consequences of the economic divergences between the Member States.

I think this answers the first two questions put by the honourable Member.

As regards the third question on what measures the Commission deems essential to prevent such events happening again, I would repeat the comment I have just made. What is essential, indeed absolutely vital in our view is greater convergence in the economic development of our Member States.

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

**Mr Artzinger.** — (D) Mr President, ladies and gentlemen, the Christian-Democratic Group, on whose behalf I speak, regrets the French withdrawal from the European currency snake. The withdrawal can but seem to lend support to the arguments of those who have more than once predicted the end of the snake. It has, however, survived, even if only as an earthworm. How often has it not been suggested that it might be better to give up the snake altogether! But as Mr Haferkamp has just said, the four remaining member countries have spontaneously and with one voice undertaken to preserve it. There are good reasons for so doing, and I should like to mention just three of them.

Firstly, the snake provides a healthy impetus towards discipline in economic policy. There can be no monetary union or even a snake without such discipline, and I am grateful to Mr Haferkamp for summarizing

the demands made on the member countries at the European Council with the word 'discipline'.

If I understood correctly, Mrs Goutmann said that this discipline implied a loss of national sovereignty. I have never seen national sovereignty preserved without discipline. I therefore maintain my belief that there can be no currency snake without such discipline.

Secondly, the snake is of great practical significance for those Member States which belong to it, in that these countries can carry on a considerable proportion of their external trade at fixed rates of exchange. Even after the French withdrawal this proportion is still between 40 and 50 % for the smaller states in the snake. Finally, there is a sentimental reason for keeping the snake: it is the last achievement of the common European monetary policy, albeit a very modest one. It must be kept alive as a milestone, as it were, along the road to the economic and monetary union still stretching before us. In this respect no-one has any illusions about the fragile nature of this item of common policy. Fixed rates of exchange cannot be maintained in the long term without a uniform economic policy and without a trade-off between regional surpluses and deficits. When both these things are lacking occasional adjustments to exchange rates are inevitable. The Christian-Democratic Group therefore applauds the maintenance of the snake among the remaining participants, but asks that every effort should be made to facilitate the entry or return of the other participating countries, though we realize, Mr President, that the greatest effort must come from these countries themselves.

Much more ominous than the disruption of the snake is the danger that the same stresses may disrupt the Community itself.

As you illustrated just now, Mr Haferkamp, with an impressive array of figures, the terrifying gap between the comparative economic performances of the member countries is becoming increasingly wider, with the Federal Republic of Germany and Denmark at the top end and Italy and the United Kingdom at the bottom end. These comparisons, which relate to gross wages, job cost, production costs, etc., clearly show how strained the current situation is, not only in the monetary sphere but in the Common Market as a whole.

Commissioner Lardinois had told us that if these currency disturbances are not cleared up by the end of the year, we shall witness the collapse of the common agricultural policy, which we have been working on for the past 18 years. And now we see the European Council separating after achieving results which are inadequate to say the least. The discipline discussed by this Council absolutely must, as you said yourself Mr Haferkamp, be practised in the individual member countries. But that is a proposition which for the time being I do not regard as particularly realistic.



**Artzinger**

There can be no doubting the fact that it is high time the decision-making procedures of the Community were strengthened. The Tindemans Report made precise proposal in that respect. It is equally obvious that none of the national governments is currently willing or able to concede a significant amount of its power of decision. What is needed is in my view quite clear, namely the transfer of competence for short-term economic policy to the Community. I refer you to the well-known decision-making centre for economic policy suggested in the Werner Report.

Political leadership can be given to the Community only if there is an irreversible leap forward from the current situation towards a more united Community. Only then will we be able to solve the questions we have been discussing yesterday and today. I would have been glad if Mr Haferkamp had quoted these figures yesterday in the debate on social policy since they would have invalidated several arguments used in that debate. I fear, however, that our progress towards a better-quality European Community will cost us dear, since at the moment it does not look as if the national governments are prepared to give up any significant part of their freedom of decision. I therefore fear that national currencies may collapse, that certain irreversible developments may take place on individual Member States and that our foreign policy may be further paralysed, as we have seen happening for months now. I fear that Europe does not have much time left to prevent such irrevocable damage from occurring.

Economic and monetary union is not a matter for the next generation, as President Thorn said several times today; I believe that if Europe is to survive, we must achieve it today.

*(Applause)*

*IN THE CHAIR: MR MARTENS**Vice-President*

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

**Mr Bordu.** — *(F)* Mr President, ladies and gentlemen, the oral question on the withdrawal of France from the currency snake calls for the following comments.

We must not forget that we are confronted not with something insubstantial, but with a permanent and profound slump, accompanied by a serious monetary crisis. In the last few months, speculation on the currencies has resumed on a large scale on all the capitalist money markets. The exchange rates of the weakest currencies have undergone a considerable decline.

Like other currencies, the French franc has been devalued in relation to the strongest currencies, such as

the German mark and the dollar. The French government has curbed consumer credit and unfrozen industrial prices, which is a significant indication of its attitude towards monetary speculation.

The scene of this monetary chaos is in fact a main theatre of the contradictions of what is called the economic recovery, a 'recovery' characterized throughout the capitalist world by inflation which is accelerating to an average level of between 10 and 13%. It is also characterized by over-production, a problem which not only was not solved during the recent profound recession but is now getting even worse.

Everywhere policies of restraint are limiting outlets for popular consumer goods. Everywhere governments are reducing expenditure on social facilities and small and medium-sized enterprises are going bankrupt, leading to a reduction in outlets for producer goods. In this context, the competition between imperialist powers is being stepped up as they attempt to monopolize the outlets remaining and pass their difficulties on to others.

This leads to the monetary manoeuvres which enable the most powerful quarters to bring pressure to bear to ensure that their products find an outlet.

Enormous amounts of capital, swollen by inflation, continue to float around in the quest for quick profits from extensive speculation on currencies. An analysis of the monetary situation shows which are the stronger currencies and which are the others; thus the dollar and the mark are subject to less severe inflation; they dominate the markets and the trade balances of the United States and the Federal Republic show surpluses. Conversely, the weaker currencies are subject to severe inflation and the countries concerned have trade balance deficits. In fact a situation of this type means that the strong currencies can bring about financial interpenetration in their own interests and international concentrations in the interests of those who represent the financial giants of this capitalist world.

In France, for example, which is not the only country in this situation, the devaluation of the franc reflects the high rate of inflation, but at the same time constitutes a considerable source of profits for the banking and industrial monopolies which have speculated on the French currency.

The unanimous proposals of the Heads of State meeting in the European Council show that once again sacrifices and self-denial are being expected from the workers and their families, a large number of whom have exceeded the limits of endurance and are experiencing hardships which cannot be appreciated in terms of cold reason and egoistic calculation since these concepts disregard the concerns of the people, those without whom those fine gentlemen would be nothing.

No, there is no point in discussing the crisis in the past tense, for the failure of the snake is in a sense the failure of a voluntaristic policy devoid of any realistic foundation. It is obvious that the servants or machinery of the capitalist system can only play around at being the bonesetters of a bygone age, whereas mankind is at the dawn of a new age of technical and scientific promise which cannot materialize in the so-called 'advanced liberal society'.

Without proper control of exchange and capital, speculation will continue. It will be financed by the central banks, and inflation will persist, all to the advantage of the dominant groups which moreover enjoy the advantage of being financed out of public funds.

We have devised a scheme for the democratic nationalization of the French banking and financial system. If there was a real willingness, at European level, to abolish speculation, it would be possible to set up exchange control and capital movement control at this level. But no doubt that does not suit the advocates of the free movement of capital who gaily force their views upon the weaker members of our society.

Someone here mentioned the carrot and the stick. Yes, indeed! But in fact only the stick remains, wielded by those who have benefited from unequal development. Such is the system which, more so than men themselves, is now making certain industrialized countries dependent on outside aid. This is happening because capitalism, as an economic and social system, is a blind force which has achieved the not inconsiderable feat of reducing the solidarity of the people into a political solidarity benefiting a handful of individuals, who rule over the section of society which is exposed to the uncertainties and anarchy of production according to a sort of law of the jungle. This analysis leads us to observe how illusory is the pursuit of economic and monetary integration as an instrument capable of helping the States to progress towards objectives geared to the happiness of mankind.

*(Applause)*

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — *(D)* Mr President, I think I can be very brief, since a large number of the replies which would have been needed were given in the previous debate. I should like to underline what Mr Artzinger said about the importance of the currency snake. It has been said here many times, and the existence of the snake is not the least of the material considerations which have compelled the central banks to bring their policies more into line with each other.

Reference has been made to the advantages which continued participation in the snake offers to all those who have an interest in economic stability, and this is why the Commission will also continue to do everything to preserve, strengthen and, if necessary, re-expand the scope of the existing currency snake.

But it is also clear that all the basic economic data relating to the countries which belong to the snake show a far greater parallelism as compared with the data for those countries outside it. As long as the basic data do not change, it would be a mistake to assume that these countries could very soon return to the snake.

I should like to state most clearly that such measures as increasing the snake's margin of fluctuations and making it more flexible would not be the answer either. That would patently be the wrong way to go about it, we would not achieve anything positive and we would also be putting at risk the advantages which the snake has for those who belong to it, without benefiting the others.

It would be a charming experience to hold a debate on a number of remarks made by Mr Bordu. I have no intention of doing that now, but I simply want once again to express the hope that one day this House will witness a debate which is really, and not just incidentally, concerned with the system of our economic orders; when that happens, we should definitely compare this system and the other systems which you, Mr Bordu, obviously have in mind, and then we shall see who comes off best. You know my view, I am in favour of keeping the system which we have and of seeking resolutely to improve it day by day. I am convinced that the necessary reforms have partly been neglected here and there in our Member States, have partly come too late and have not been tackled positively enough. We must put this right or, where necessary, accelerate and intensify the processes, but I shall object most strongly if, because certain improvements and reforms have not been carried out, we question the whole value of a system which after the Second World War in Europe enabled us to make more progress than we have ever made before. We should improve what needs to be improved, and I would be the last to state in this House that there are not many improvements to be made. I should be grateful if this discussion could in the very near future be conducted on the basis of concrete, political and factual considerations. I feel that thereby we would also be doing a service to those who expect us to make definite material improvements in the economic field.

*(Applause)*

**President.** — I have no motion for a resolution on this debate. The debate is closed.

#### 11. Present state of the Euro-Arab dialogue

**President.** — The next item is the motion for a resolution, tabled by Mr Blumenfeld on behalf of the Political Affairs Committee, on the present state of the Euro-Arab dialogue (Doc. 20/76).

I call Mr Blumenfeld.

**Mr Blumenfeld.** — (D) Mr President, I should like to explain to the House why the Political Affairs Committee has chosen this particular time to table this motion for a resolution. The reason is that, after a fairly long interval, the delegations of the Arab League and the European Community are due to meet here in Luxembourg on 18 May, and in fact at a higher political level, if I may put it like that, namely at that of the General Committee, i.e. at ambassadorial level, which naturally puts the whole thing in a new light.

The Political Affairs Committee, which for about a year and a half has been following this Euro-Arab dialogue, begun two years ago, with interest and with the basic political intention of supporting it, feels that the time has now come for Parliament to contribute its opinion to the new round of negotiations by means of a motion for a resolution, which I imagine will be passed with just a large a majority as in the Political Affairs Committee.

You are all familiar with the previous history. Owing to the oil crisis it was decided in the autumn of 1973 that the Heads of Government and the Foreign Ministers of the EEC and representatives of a number of important Arab countries should meet in order to try and discuss sectors of common interest, i.e. with a bearing on the economic problems involved in European-Arab relations, such as energy, industry, agriculture, finance, science, technology and culture. This has been done.

So far there have been three meetings, at which seven working groups have tried, with not inconsiderable success, to make progress. We welcome this progress, Mr President, as will be evident from the motion for a resolution before you.

We are therefore convinced that constructive cooperation between the European Community and the Arab world is to the advantage of both, especially since in our view this dialogue and the related economic, cultural, scientific and political questions are appropriate to serve the cause of peace and can do so if there is a general awareness of the contribution that this dialogue can make.

We also consider that the exchange of views which has so far taken place between your rapporteur and the Political Affairs Committee serves to confirm that when this dialogue began the political dimension was an unknown quantity. The Arab side always demanded that the political dimension be included, while the Committee and the Delegation disregarded it, in accordance with their instructions. Only a few weeks ago the President of the Council told our Political Affairs Committee that it was no longer possible in this Euro-Arab dialogue to avoid a political dialogue, and thus the political dimension. We believe that there are two reasons, which I should like to mention again very briefly, why a positive approach should be adopted.

It was perfectly clear to us from the start that participation of representatives of the PLO, the Palestine Liber-

ation Organization, as it calls itself, under the Dublin formula was a device that would allow the Commission, the Council and thus the Delegation to carry on working. But this time we make no mention in our resolution of the Dublin formula and neither have we formulated — and I admit this openly — any further views on the participation of the PLO in any subsequent meetings or negotiations, and our purpose in omitting to do so was to make it clear that this point has not yet been settled and that it is a vital matter. Very many of the members of the Political Affairs Committee have pointed out that if the Dublin formula, i.e. participation by representatives of the PLO as members of the full Delegation without being specifically identified as such, is even to be abandoned, a prior condition would be the formal renunciation by the PLO of this Convention of July 1968. Only then in any case would *we* — and the rapporteur fully associates himself with this view — be able to recognize the PLO in a Euro-Arab dialogue as an independent and legitimate negotiating partner.

In that Convention, only two articles of which I should like to mention, namely Articles 3 and 21, we read that the Palestinians alone can claim the right to self-determination and the full and undivided possession of the country, and secondly that they reject any solution which does not involve the total liberation of the country. This goal, it is stated, can be achieved not by political means but only by military means.

After very careful study of this Convention and its articles, many members of the Political Affairs Committee, including the rapporteur, urged that this point should be included in the motion for a resolution. However, in order to achieve unanimity, we decided not to include it. I mention this fact here, Mr President, so that no one is left in any doubt as to the view held by the members of the Committee on this fundamental question.

Now we come to the second and final point. We emphasize in the motion for a resolution that the dialogue cannot be successful unless the political problems are solved, thereby making a really effective contribution to peace, and that even a Euro-Arab dialogue can only achieve concrete results — and this must be made clear to the Arab side — if a solution is first found to the political problems as they exist today.

If a clear course is not adopted to solve the political problems of the Middle East, no unhindered, tension-free Euro-Arab dialogue will be possible either. In this I also include the Damascus-based organization just recently appointed once again by the League for the Boycott of European and non-European firms. It has just placed a considerable number of further firms on the so-called 'black list', and for this reason we have made it abundantly clear in paragraph 4 that, as far as the Euro-Arab dialogue is concerned, particular impor-

**Blumenfeld**

tance is being attached to the principle of non-discrimination and that actual or threatened boycotts cannot be tolerated.

Mr President, the motion for a resolution having been adopted by the Political Affairs Committee with all but one vote in favour, I think it can be adopted by Parliament in its present form, and I hope that this will now be the case.

*(Applause)*

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

**Mr Corona.** — *(I)* Mr President, this motion for a resolution has been submitted to the House after a lengthy debate and thorough preparation in the Political Affairs Committee.

The Socialist Group has endeavoured to present its contribution in such a way that this motion for a resolution can maintain a good balance between the two guiding principles on which it is based: on the one hand, the principle of constructive collaboration between Europe and the Arab countries and their representatives, with no exceptions; on the other, the principle of an equitable solution of the political problems which still stand in the way of a lasting peaceful settlement, particularly in the Middle East.

The motion for a resolution, as drawn up in its final form with the contribution of all the political sides in our Committee, reflects the balance, even though the rapporteur has availed himself of his author's privilege to underline the points which he considered to be of special significance and even if the original wording gave these points greater, and sometimes excessive, weight.

We take the view that these two principles must be upheld and that the House's vote — and, in any case, the vote which our Group will give — will confirm the importance attached by the European Parliament to the intensification of the Euro-Arab Dialogue and the finding of positive solutions in all the fields mentioned here, and also the need for this dialogue and its positive solutions to avoid jeopardizing in any way an essential precondition for achieving and consolidating peace in this very sensitive part of the world, that is to say, the right of every state in that area, beginning with the state of Israel, to live within recognized and guaranteed frontiers.

Mr President, since this is the meaning given to the text of the resolution by the debate in the Political Affairs Committee and by the contribution which we have made to it, the Socialist Group confirms its vote in favour of the motion.

**President.** — I call Mr Glinne.

**Mr Glinne.** — *(F)* Mr President, ladies and gentlemen, I shall give a personal explanation in advance of why I fell bound to vote against this motion for a resolution.

The wording of paragraph 3 of the resolution before us is, to my mind, unacceptable. As regards the question of peace on which Mr Blumenfeld has just commented, the text refers only to the states of the Middle East to which guarantees should be given, and I quote: they must be allowed 'to live within secure frontiers recognized by all parties'. In the Middle East today there are, alas, not only states, there are also populations which are unfortunately still deprived and which are entitled to aspire to the support and protection which they would normally enjoy if they were organized into a state. I am thinking here of the Palestinian people as a whole, irrespective of the political organizations to which it belongs. It will be impossible to achieve balance in the Middle East if the existing states receive no guarantee on this point and if the Palestinian people itself does not have the right to organize itself and to be recognized as a community within the framework of a normally organized state.

I note with pleasure that a former member of the Knesset, the ex-General Secretary of the Israeli Labour Party, stated in yesterday's International Tribune and in this morning's 'Le Monde', that, and I quote the text of the English paper:

'The government of Israel should also declare that it is ready to recognize the right of self-determination for the Palestinian Arab people, and for them to have a state of their own in the West Bank and Gaza strip.'

Since paragraph 3, which refers to this problem, seems to me to be particularly badly worded, I cannot, Mr President, approve its text. For this reason I request a separate vote on paragraph 3.

**President.** — I call Lord Reay.

**Lord Reay.** — Mr President, I quite take the point which Mr Glinne has just been making, but the particular paragraph in this resolution to which I take greater exception than to any other is paragraph 4. Paragraph 4 was quite widely attacked in the meetings of the Political Affairs Committee.

Various attempts were made to have it amended. I myself should have liked to see the sentence ended after the word 'non-discrimination'. I do not think that the part of the sentence which follows adds anything to what is said in the first part of the sentence, the idea of a boycott being included in the reference to non-discrimination. At the committee meeting I made a suggestion along these lines which was not accepted, but I must still say that I remain dissatisfied with the text as it stands. Of course I am against boycotts and threats of boycotts, but to include words about not tolerating boycott measures seems to me to be taking up a threatening position, even a blustering one, which is inappropriate to a delicate matter like this which requires a high level of skillful diplomacy.

**Lord Reay**

My second objection is that to talk about not simply boycott but threats of boycott seems to me not only unwise but also rather absurd, for I fail to see how you can say that you will refuse to tolerate the threat of a boycott. If a threat is actually issued to institute a boycott — and one can perhaps imagine that happening — then what is that you actually do? In fact, if at any moment a treaty was made by some country or a group of countries to institute a boycott, I think that the likelihood in such a situation is that nothing would be done if that matter was carried no further. Therefore, to include a threat from our side that we will not tolerate a threat of boycott seems to me to be building in an opportunity for us ourselves to lose face. I think a challenge of that sort from our side has no credibility, and I think it is unwise to make it.

Therefore, Mr President, I should like to ask you to take the various paragraphs in this resolution separately, and on that paragraph 4 I shall vote against.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, you have often debated the Euro-Arab dialogue in this House. Fortunately we can see that it is making progress. The political dimension of this dialogue is clear. That has also been discussed in this House on more than one occasion.

Some points of the motion for a resolution have given rise to certain differences of opinion among you today.

It is not for the Commission to comment on these differences of opinion, which all have to do with aspects of political cooperation. But we can at least tell you that the text of the motion for a resolution is in keeping with the spirit in which the Council of Ministers and the Commission are conducting this dialogue.

It is now entering a practical stage, as we shall soon be holding in Luxembourg a meeting at ambassadorial level, which is intended to give new impulse.

It is further entering a new stage since we were able to note at the three previous meetings and at the conferences which we held that there are many topics which affect the interests of both sides, and we were able to identify the problems which will play a special part in the future multilateral relations between the European Community and the Arab States.

These topics cover a wide field, and I should not now like to list them in detail. I should just like to say that they range from agriculture to the transfer of technological know-how, to raw materials problems, to matters of education and to questions of research. We shall be dealing specifically with these topics in seven sub-committees. We feel, however, that it is perhaps

still rather early to raise the political questions which will possibly, even probably, come up at a later stage of this dialogue.

It is clear that the Community prepared these talks thoroughly. It successfully negotiated the exploratory talks. In so doing, we have contributed to stability in this region and also to the improvement of the bilateral relations between our Member States and the Arab States. Our overall relations with these states are also entering a new stage, since three of the states concerned are signatories of the Lomé Convention. They are Somalia, the Sudan and Mauretania.

A further reason why our relations are entering a new stage is that we have now concluded bilateral agreements with three more states — Algeria, Morocco and Tunisia. They are bilateral in that the Community is on the one side and each of these states in its own right on the other.

Yet another reason for this new stage is that four more states are interested in concluding similar agreements. Consequently it is our wish to do everything necessary at this point to enable us to continue with this task, using the tried and tested methods which we have developed.

We can do so with all the more confidence since these methods have proved themselves. The Council and the Commission have cooperated successfully on the tandem principle. We can do so with all the more confidence since we know that, in tackling the problems which you raised in the debate, we have firm ground under our feet and a firm conception of the matter, which we shall not relinquish.

I believe that the talks which are being prepared constitute a favourable prospect for the development of our relations with the Arab States and at the same time for the stabilization of that region. They are not directed against anyone; on the contrary, all the states in the area will in the end profit from them.

**President.** — I call Mr Blumenfeld.

**Mr Blumenfeld.** — (D) Only two brief remarks, Mr President. The one is in reply to what was said by my colleague, Lord Reay. He has moved that a separate vote be taken on each paragraph. It is up to you, Mr President, whether or not you wish to do that. Your rapporteur is of the opinion that it is not necessary, Lord Reay having voiced his objection to one paragraph and Mr Glinne having stated that there is one paragraph for which he cannot vote. The exchange of views which we had in the Political Affairs Committee took place over a long period and in many sittings, a fact which has been clearly demonstrated during the present deliberations of Parliament. We are concerned here with a single comprehensive motion for a resolution. I am very grateful to Mr Brunner for not only

**Blumenfeld**

welcoming the spirit and content of this motion for a resolution but also identifying himself with it, at any rate on the main points, on behalf of the Commission. The purpose of this motion for a resolution at this stage of the dialogue is to say to the Commission and the Council — which, as you have just said, are working in tandem on these difficult questions to proceed at the same pace — what Parliament thinks about the present status of things and what prospects it sees, as it would neither wish nor be able to enter into the details of the negotiations in the seven different sectors. If the Commission furnishes us with details of the results, Parliament will perhaps give its views on them.

Mr President, I feel that I must therefore propose that, unless you decide otherwise, the motion for a resolution be taken as a whole. The Christian-Democratic Group has asked me to say that it is in favour of this motion for a resolution.

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

Mr Glinne has requested a separate vote on paragraph 3, and Lord Reay a separate vote on paragraph 4.

I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put paragraphs 5 and 6 to the vote.

Paragraphs 5 and 6 are adopted.

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

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

**12. Change in agenda**

**President.** — The next item is the motion for a resolution, tabled by Mr Fellermaier on behalf of the Socialist Group, Mr A. Bertrand on behalf of the Christian-Democratic Group, Mr Durieux on behalf of the Liberal and Allies Group, Mr de la Malène on behalf of the Group of European Progressive Democrats and Mr Amendola on behalf of the Communist and Allies Group with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the protection of the rights of the individual in the face of developing technical progress in the field of automatic data processing (Doc. 46/76).

I call Mr Broeks on a question of procedure.

**Mr Broeks.** — (NL) Mr President, I should like to ask whether this item can be placed on tomorrow's agenda.

**President.** — Mr Broeks proposes that the motion for a resolution on data processing be placed on tomorrow's agenda.

Are there any objections?

This motion for a resolution will therefore be the first item on tomorrow's agenda.

**13. Agenda for next sitting**

**President.** — The next sitting will be held tomorrow, Thursday, 8 April 1976, with the following agenda: 10.00 a.m., 3.00 p.m., and possibly in the evening

- motion for a resolution on data processing;
- joint debate on the oral questions with debate on relations with COMECON and the Soviet Union;
- joint debate on the motion for a resolution and oral question with debate on the Community action programme on education;
- oral question with debate on the environment programme;
- joint debate on the oral questions with debate to the Council and Commission on the Law of the Sea Conference.

The sitting is closed.

(The sitting was closed at 7.35 p.m.)

<sup>1</sup> OJ C 100 of 3. 5. 1976.

## ANNEX

*Questions to the Commission which could not be answered during Question time, with written answers*

*Question by Mr Herbert*

Subject: Economic war between the US and the EEC

Having regard to the recent suspension of Irish beef exports to the United States resulting from threats by the US authorities to impose countervailing charges, does the Commission consider this as a further stage in the development of an economic war between the US and the EEC?

*Reply*

The problems which have arisen recently over the export of Irish beef to the US are indeed a cause of concern to the Commission, and we have made known our concern to the US authorities. This being said, I would not wish to go so far as the Honourable Member in talking about a new stage of economic war between the US and the Community. There are certainly a number of points of friction between us at the moment, and the Commission cannot but share the concern of many Members of this House at the proliferation of protectionist pressures being brought to bear on the US Administration. We remain hopeful, however, that the US Administration, in the spirit of the OECD trade pledge to which, like the Community, it is a subscriber, will stand firm against these pressures.

*Question by Mr Van der Hek*

Subject: Loss of income arising from an outdated valuation of the EEC unit of account

What does the Commission propose to do to compensate for the scandalous loss of income to the Community arising from the payment of fines in Italian currency by non-Italian sugar companies of the EEC, or at least to prevent such practice in the future?

*Reply*

Regulation No 17 stipulates that financial sanctions imposed by the Commission for infringements of Articles 85 a and 86 of the Treaty must be fixed in units of account identical to those used in the Community budget.

Since 1970 the Commission has been expressing the amount of the fine not only in units of account but also in the national currency of the Member State in which the enterprise concerned is established. The 'sugar' decision is consistent with this practice. In its judgment of 16 December 1975 the Court adopted the same method in reducing the fines fixed by the Commission.

The Commission feels that it is the expression of the fine in national currency which determines an enterprise's obligation to pay.

Enterprises are free to pay their debts in a national currency other than their own, provided that the amount paid actually represents the equivalent of the fine. Consequently the Commission has accepted as part-payment only payments made in lire, on the basis of the official parity, by the European sugar producers concerned and has demanded that these enterprises pay the balance which remains due. In the event of non-payment of this balance the Commission will initiate the procedures necessary to bring the matter to a successful conclusion.

*Questions by Mr Fellermaier*

Subject: Car price increases in the Federal Republic of Germany

Does the Commission agree that the clearly mutually agreed price increases by car manufacturers in the Federal Republic represent a danger to economic recovery and could be a signal for other oligopolistic markets where price competition is almost non-existent?

*and by Mr Seefeld*

Subject: Car price increases contrary to the rules of competition

What action does the Commission intend to take against simultaneous price increases by German car manufacturers, which are an example of the competitive situation in an oligopolistic market and, since the manufacturers had reached a prior agreement to make these increases, are probably contrary to the rules of competition set out in the EEC Treaty?

*Joint reply*

1. There have indeed been car price increases recently in the Federal Republic of Germany. It is not yet possible to say whether this is the beginning of a new wave of price increases involving all car manufacturers in the Federal Republic of Germany.
2. The Commission is not yet in possession of sufficient information to affirm that the German manufacturers have reached an agreement on prices or established contacts with each other with a view to mutual agreements on price increases.
3. It will therefore immediately initiate an enquiry to investigate whether Article 85 has been contravened.
4. The Commission finds it extremely difficult to predict whether these car price increases will be a signal for increases in other oligopolistic markets.

*Question by Mr Sandri*

Subject: Formation of the bodies provided for in the Lomé Convention

What are the Community's criteria (national representation, professional qualifications of the members, etc.) for the composition of the bodies provided for in the Convention of Lomé which are to encourage and supervise the development of industrial cooperation between the EEC and the ACP countries?

*Reply*

Title III of the Lomé Convention deals with industrial cooperation and provides for a Committee on Industrial Cooperation (CIC) and a Centre for Industrial Development (CID).

The CIC (Article 35) is an intergovernmental body consisting of representatives of the ACP countries (15 seats divided between the three geographical groups: Africa, the Caribbean, the Pacific) and of the Community (11 seats: the nine Member States, the Commission and the European Investment Bank). The ACP countries not represented can attend the meetings of the Committee as observers. The ACP countries and the Community each nominate a spokesman.

The CID (Article 36) is a purely practical body; the statute which is now being prepared for this body is at present being discussed by the ACP and the ACP/FIN (Council) groups of experts from the Community's point of view and by the ACP-EEC Interim Committee on industrial cooperation from the point of view of relations between the Community and its ACP partners. The Community will submit to the ACP countries a draft statute for the CIC providing for a 'council of operators' composed of personalities from the economic sectors selected, according to their suitability, on the basis of their qualifications and experience. The permanent staff of the CIC will be very small and will be engaged solely on the basis of the professional qualifications required.



## SITTING OF THURSDAY, 8 APRIL 1976

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#### IN THE CHAIR: MR SPÉNALE

##### *President*

*(The sitting was opened at 10.10 a.m.)*

**President.** — The sitting is open.

##### 1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

##### 2. *Tabling of a motion for a resolution*

**President.** — I have received from Mr Amendola and Mr Ansart, on behalf of the Communist and Allies Group, a motion for a resolution, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the situation in Spain.

This document has been distributed as No 48/76.

I shall consult Parliament on the adoption of urgent procedure after the next item on the agenda.

##### 3. *Protection of the rights of the individual in connection with data processing*

**President.** — The next item is the

motion for a resolution, tabled by Mr Fellermaier on behalf of the Socialist Group, Mr A. Bertrand on behalf of the Christian-Democratic Group, Mr Durieux on behalf of the Liberal and Allies Group, Mr de la Malène on behalf of the Group of European Progressive Democrats, and Mr Amendola on behalf of the Communist and Allies group with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the protection of the rights of the individual in the face of developing technical progress in the field of automatic data processing (Doc. 46/76).

**Mr Broeksz.** — (NL) Mr President, I am sure Parliament will remember that, when Lord Mansfield was a Member, he presented an extremely important report on data processing, in which he described in detail the dangers to the rights of the individual involved in the further development of data processing. Subsequently, Parliament decided to set up a committee to make a detailed study of this field. Unfortunately, this committee has still not been set up, and following the discussions which have been held in Parliament and in parliamentary circles, is not now going to be set up. The question is thus what Parliament plans to do about this vital problem.

Mr Fellermaier, Mr Bertrand, Mr Durieux, Mr de la Malène and Mr Amendola have concluded that the best thing we can do at the moment is to submit it to the Legal Affairs Committee — which accepted Lord Mansfield's report — for further study. In view of the extensive debate we had on the importance of this subject in this House, I do not feel it is necessary to dwell upon the matter further — it will suffice if this motion for a resolution is adopted and if you, Mr President, instruct the Legal Affairs Committee to give the matter further consideration.

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

**Sir Derek Walker-Smith.** — Mr President, although the European Conservative Group does not appear *ex parte* as a sponsor of this motion, we do in fact warmly welcome it.

The development of the computer data processing industry is a matter of great commercial and technical importance but carries with it the inescapable problem of the protection of the rights of the individual and the safeguarding of his reasonable privacy. Where you get police records, tax records, medical records, hire purchase records of the individual, all

**Walker-Smith**

stored in data banks, there is obviously a considerable problem in regard to access to private information.

The Parliament's resolution of 13 March partly derives, as Mr Broeksz has reminded us, from the opinion of the Legal Affairs Committee drafted by my former respected colleague Lord Mansfield. It puts forward this ambitious concept of a special committee of this Parliament to investigate this matter. That would, I think, have provoked logistical difficulties for Parliament, most of whose Members are pretty stretched in carrying out their existing committee functions under the dual mandate conditions. Therefore, if these objectives can be attained by simpler methods within our existing procedures, that seems to me to be better and that is what this resolution calls for. The resolution divides the necessary action between the Commission and the Legal Affairs Committee. If I may speak just for a moment, in my capacity as chairman of the Legal Affairs Committee, we shall certainly do our best to fulfil our functions. But obviously we shall be very much dependent on effective action by the Commission, with their much greater resources, and on the transmission from them of information on this matter. We must therefore establish a close and continuing dialogue with them. We in the Legal Affairs Committee and we in my group will do our best to further this task and seek to provide the necessary safeguards for the citizen as these processes go forward.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, the Commission welcomes this motion for a resolution. It is certainly essential for something to be done in this area, and we regret that it has not yet been possible to hold the planned hearings. We shall be having a meeting on 27 and 28 May with government experts, along with experts from the OECD and Members of this Parliament, and we shall press ahead with the relevant work in the Commission. The fact is that everything we have achieved in the nineteenth and twentieth centuries in safeguarding individual rights in Europe could be jeopardized if nothing is done here. The volume of data processing is increasing steadily. Even now, everyday facts, personal data, are being stored — and have to be stored — by the authorities in many Member States. We must protect the individual — if we do nothing, in a few years' time we shall have lost everything we have struggled to achieve over the decades in the field of protection of the individual.

I am therefore glad that you have tabled this motion for a resolution, which has our support.

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

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

#### 4. *Decision on urgency of a motion for a resolution*

**President.** — We must now vote on the adoption of urgent procedure for the debate on the motion for a resolution concerning the situation in Spain (Doc. 48/76).

I call Mr Sandri to speak on behalf of the Communist and Allies Group.

**Mr Sandri.** — (I) Mr President, I should just like to explain briefly why we are asking Parliament to debate this motion for a resolution.

I think we must all be aware of the great political significance, in the last few days, of the demonstration in which all the opposition forces — formerly divided — combined to call for the full liberty of the Spanish people through an amnesty and the restoration of all rights.

The police action against the organizers of this demonstration is thus all the more serious. Those arrested include prominent members of various parties — socialists, catholics and communists. Among them is Marcelino Camacho, who was released last December after spending 20 years in prison under three successive sentences and is now again in a Spanish prison on a serious charge punishable by up to 30 years imprisonment.

In view of the political and human aspects of this latest event, we feel it right that this House which, on previous occasions, has spoken out so forcefully and with such great effect in Spain, should once again use its vote to help to achieve the freedom of those arrested and the restoration of a free society in Spain.

In view of the moral weight which our vote can have, we thus ask the House to accept the request for debate by urgent procedure.

*(Applause from the extreme left)*

**President.** — I consult Parliament on the adoption of urgent procedure.

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

I call Lord Castle.

**Lord Castle.** — Mr President, I think the reason for the inexplicable vote of the people on the other side of the Chamber might be that there was some difficulty in getting copies of this resolution; I wonder whether the Members of Parliament sitting on the other side have received copies, because I myself, and two of my colleagues, had some difficulty in getting it. I am quite certain that if they had read it, they would not be against it.

**President** — I call Lord Gladwyn.

<sup>1</sup> OJ C 100 of 3. 5. 1976.

**Lord Gládwyn.** — I find myself rather in the same position as Lord Castle, Mr President. I only received a copy of this resolution two minutes ago. I have been unable to consult my colleagues. I myself was unable to take part in the recent mission that my party sent to Spain and which came back the other day. I have had little opportunity to get in touch with those who did. So, I should like to consider this for just a little longer before voting. In principle, there may be something to be said for this motion, perhaps even for urgency. On the other hand, there is a good deal to be said for referring it back to the Political Affairs Committee. Might it not therefore be possible at the end of this debate, perhaps before lunch, to have another vote on this subject, when we have had time to consider the question and consult our groups? I am at a disadvantage at the moment and do not really know what to do. Would not the Communist proposer of this motion agree that we should have another chance to consider it, perhaps early this afternoon? It is surely not as urgent as all that.

**President.** — I call Mr Radoux.

**Mr Radoux.** — (*F*) Mr President, I had to get hold of this text myself when I arrived, as I was not informed of the situation. If we have time to study this motion for a resolution, we shall be better qualified to take a decision. When the first vote was taken, I obviously voted in accordance with the views of my political group. It would nevertheless be better if everyone could study the text before reaching a decision.

**President.** — I call Mr Broeksz.

**Mr Broeksz.** — (*NL*) Mr President, I should like to support the request by the Liberal and Allies Group to postpone the vote — for instance, until the beginning of the afternoon sitting.

**President.** — I call Mrs Goutmann.

**Mrs Goutmann.** — (*F*) Mr President, I am surprised by what the honourable Members have said, since the text was distributed yesterday evening — at least in French. I therefore fail to understand why it has been impossible to study this motion for a resolution.

**President.** — The main source of these difficulties lies in the Presidency and the organization of our debates. Sir Peter Kirk made some remarks on this point yesterday. This week we have had too many meetings, consultations, receptions, etc. When a text is distributed in such circumstances, it is inevitable that a certain number of Members will not receive it in time.

Since Parliament appears to want this decision postponed, I propose that we vote on the adoption of urgent procedure at the end of this morning's sitting. Are there any objections?

That is agreed.

##### 5. Oral questions with debate: Relations with COMECON — Relations between the EEC and the Soviet Union

**President.** — The next item is the joint debate on: — the oral question with debate, put by Mr Jahn, Mr Vandewiele, Mr Memmel, Mr Burgbacher, Mr Artzinger and Mr Springorum to the Council of the European Communities, on relations with COMECON (Doc. 24/76):

On 16 February 1976 a delegation from COMECON, led by the President of the Executive, the vice-chairman of the Council of Ministers of the GDR, Gerhard Weiss, held talks with the President-in-Office of the EEC Council of Ministers, Mr Gaston Thorn, in the course of which the COMECON representatives presented a memorandum containing proposals for cooperation between COMECON and the EEC. According to press reports the proposals related to a trade agreement including a 'most favoured nation' clause, the abolition of barriers to trade and the prohibition of restrictions on imports and exports etc.

Could the Council inform the European Parliament of the content of these proposals and state its views on them?

Is it not the Council's opinion that the Commission should represent the Community in talks and negotiations with COMECON?

Does it not consider that this approach to talks and negotiations by COMECON is an attempt to avoid recognizing the EEC?

— The oral question with debate, put by Mr Jahn, Mr Vandewiele, Mr Memmel, Mr Burgbacher, Mr Artzinger and Mr Springorum to the Commission of the European Communities, on relations with COMECON (Doc. 25/76):

On 16 February 1976 a delegation from COMECON, led by the President of the Executive, the vice-chairman of the Council of Ministers of the GDR, Gerhard Weiss, held talks with the President-in-Office of the EEC Council of Ministers, Mr Gaston Thorn, in the course of which the COMECON representatives presented a memorandum containing proposals for cooperation between COMECON and the EEC. According to press reports the proposals related to a trade agreement including a 'most favoured nation' clause, the abolition of barriers to trade and the prohibition of restrictions on imports and exports etc.

Could the Commission inform the European Parliament of the content of these proposals and state its views on them?

Is it not the Commission's opinion that it should itself represent the Community in talks and negotiations with COMECON?

Does it not consider that this approach to talks and negotiations by COMECON is an attempt to avoid recognizing the EEC?

— the oral question with debate, put by Mr Dykes on behalf of the European Conservative Group, Mr Klepsch on behalf of the Christian-Democratic Group, Mr Durieux on behalf of the Liberal and Allies Group, and Mr Kaspereit on behalf of the Group of European Progressive Democrats to the

Council of the European Communities, on relations between the EEC and the Soviet Union (Doc. 27/76):

In view of recent developments in international policy, can the Council state:

1. In what way the Soviet Union influences international economic and monetary conditions and world markets, as a grain buyer and a raw material producer of for example oil, steel, coal, uranium and gold?
2. What has been the role of the Soviet Union in international efforts to achieve a more equitable balance and stability in the world economy and in particular which commitments has she entered into in connection with these negotiations?
3. What is the potential for the Community to increase its trade with the Soviet Union, in particular in the context of the newly adopted five year plans of the Soviet Union and COMECON?
4. To what extent it is possible to ensure fair competition for EEC-industries with regard to trade with the Soviet Union?
5. Whether the credits granted to the Soviet Union at low rates through the Euro-dollar market and through the specific export credits of EEC-countries are in proportion to the role and prosperity of EEC-trade with the Soviet Union, compared to (for example) credits granted to developing countries or to the United States?
6. Whether the danger exists that the large-scale delivery of industrial equipment and technology to the Soviet Union will have an adverse effect on the long term development of EEC-trade with the USSR, through the development of the Soviet Union's own export potential?
7. Whether it is correct that negotiations between the EEC and COMECON have made no progress over the last year?
8. Whether it believes that a continuing refusal of the Soviet Union to recognize the EEC is in accordance with the spirit of the Helsinki agreement, and what steps have been taken by the Soviet Union to fulfil its obligations under this agreement?
9. What are the principal perspectives of the Community's future policy towards the Soviet Union?

— the oral question with debate, put by Mr Dykes on behalf of the European Conservative Group, Mr Klepsch on behalf of the Christian-Democratic Group, Mr Durieux on behalf of the Liberal and Allies Group, and Mr Kaspereit on behalf of the Group of European Progressive Democrats to the Commission of the European Communities, on relations between the EEC and the Soviet Union (Doc. 22/76):

In view of recent developments in international policy, can the Commission state:

1. In what way the Soviet Union influences international economic and monetary conditions and world markets, as a grain buyer and a raw material producer of for example oil, steel, coal, uranium and gold?
2. What has been the role of the Soviet Union in international efforts to achieve a more equitable balance and

stability in the world economy and in particular which commitments has she entered into in connection with these negotiations?

3. What is the potential for the Community to increase its trade with the Soviet Union, in particular in the context of the newly adopted five year plans of the Soviet Union and COMECON?
4. To what extent it is possible to ensure fair competition for EEC-industries with regard to trade with the Soviet Union?
5. Whether the credits granted to the Soviet Union at low rates through the Euro-dollar market and through the specific export credits of EEC-countries are in proportion to the role and prosperity of EEC-trade with the Soviet Union, compared to (for example) credits granted to developing countries or to the United States?
6. Whether the danger exists that the large-scale delivery of industrial equipment and technology to the Soviet Union will have an adverse effect on the long term development of EEC-trade with the USSR, through the development of the Soviet Union's own export potential?
7. Whether it is correct that negotiations between the EEC and COMECON have made no progress over the last year?
8. Whether it believes that a continuing refusal of the Soviet Union to recognize the EEC is in accordance with the spirit of the Helsinki agreement; and what steps have been taken by the Soviet Union to fulfil its obligations under this agreement?
9. What are the principal perspectives of the Community's future policy towards the Soviet Union?

I call Mr Vandewiele.

**Mr Vandewiele.** — (NL) Mr President, on 16 February 1976 a delegation from the Council for Mutual Economic Assistance, generally known as COMECON, arrived for talks with Mr Thorn, President of the Council of Foreign Ministers of the European Communities. This delegation was led by the chairman of the Executive Committee, Mr Weiss, Vice-President of the Council of Ministers of the GDR. The official communiqué issued at the end of this meeting states that a memorandum was handed to the EEC on behalf of COMECON and its Member States proposing that an agreement should be concluded on relations — and I quote the French text — ‘... entre le COMECON et ses Etats-membres d’une part et la CEE et ses Etats-membres d’autre part.’ At the same time a draft agreement was put forward. On 2 March the Foreign Ministers of the Nine drew up the reply to be communicated to COMECON by the President of the Council. According to press reports, what is being proposed is a trade agreement, including application of the most-favoured-nation clause. Further proposals are said to have been made with a view to removing obstacles to trade and prohibiting import and export restrictions. According to Mr Thorn this

draft agreement is the result of a hard-won compromise between the attitude of the Soviet Union and that of the other Eastern European countries. The Council, which is aware that there are a number of legal problems, has nonetheless expressed a favourable opinion on the progress of the talks. Henceforth COMECON is to recognize the European Community as such — this is important if this recognition is confirmed — and will be prepared to negotiate with the Community. In principle COMECON will also allow bilateral agreements between the EEC and the COMECON Member States. The signatories to the present motion feel that clarification is required on a number of points. We think it would be useful if the Commission and the Council gave a clear answer to the following questions. Firstly: 'Are the Commission and the Council prepared to inform the European Parliament of the full contents of these proposals? Is this the right time to do so, or is it still too soon? Have steps already been taken to prepare further discussion of these proposals? My second question is as follows: 'Are both the Commission and the Council of the opinion that for any further discussion and negotiations COMECON should deal directly with the Commission of the European Communities?'

In Chapter 3, under the heading of commercial policy, the Treaty expressly provides, in Article 113, paragraph 2, that 'the Commission shall submit proposals to the Council for implementing the common commercial policy.' And paragraph 3 of Article 113 states that 'Where agreements with third countries need to be negotiated, the Commission shall make recommendations to the Council, which shall authorize the Commission to open the necessary negotiations.'

These texts from Article 113 are the basis for our question and we would ask the Commission and the Council to tell Parliament whether, insofar as they are of the opinion that COMECON has clearly recognized the Community institutions, they are going to conduct further negotiations.

**President.** — I call Mr Dykes.

**Mr Dykes.** — I am very glad to be able to follow — trying to be as brief as I can — what Mr Vandewiele, on behalf of this group, and indeed other Members of this Parliament have said in initiating this debate, and I think it is extremely convenient for the House that the entire matter should be taken together in a composite debate I hope too that that will be convenient for the Commission and the Council. We are sorry that Sir Christopher Soames is unwell and indisposed in London, but glad that Commissioner Brunner has been able to come along instead. We are also glad to see the representative of the Council partly echoing some of the points made by Mr Vandewiele.

I should like to put into the political context the rationale of this debate, without going into too much

detail on the nine elements of this rather long — and I apologize for that — question for debate. I believe that this is a tremendously important matter and I am more than delighted and indeed honoured to be able to lead off on behalf of this alliance of European Conservatives, Christian-Democrats, Liberals and European Progressive Democrats for the purposes of this subject. It is an important subject now and will continue to be so. It is, of course, precipitated by what happened on 16 February with this seemingly rather unusual COMECON démarche to the Council rather than to the Commission.

Mr President, while the questions relating to security and cooperation in humanitarian and other fields contained in the Final Act of the Conference on Security and Cooperation have been debated extensively in Western European countries, very little attention has been given to those items in the second basket of the CSCE, namely economic relations and their political repercussions.

Considering the important role of economic problems in Western European politics it does seem regrettable that these problems, in connection with relations with the Soviet Union in particular, but COMECON also by definition, have not been given more attention.

That, therefore, is the immediate reason for this debate. I hope that this oral question does cover the whole range of problems — primarily economic, of course — in connection with relations with the Soviet Union, so that we can have a full and comprehensive answer from the Commission and the Council. We do appreciate that the Council may be in a very special position here. The economic aspects are, of course, linked closely with the wider geopolitical considerations; it is not only Mr Alexander Solzhenitsyn who has expressed a broad spectrum of anxieties about the meanings of Soviet policy, the build-up of their armed forces in other parts of the world, etc.

It would be foolish and unwise for anybody to assume that those matters have no relation to the economic aspects of this question. Mr President, the Soviet Union exercises an important influence on the development of the world economy and on world markets — we have only to look at what happened three years ago with grain purchases and, since then, with other products, including minerals, as well. Whether this is for good or ill is another matter, but in the sense that the Soviet Union is so heavily involved in the world economy, it is impossible for Russia to contract out of a wide range of obligations in the context of her relationships in economic terms to the rest of the world. To use the quotation of Mr Cheysson at the Paris Conference :

'We cannot reasonably accept that our efforts at dialogue between the North and the South can be suddenly compromised by brutal changes, by unexpected interventions coming from an important and powerful part of the world.'

All Members here will know what Commissioner Cheysson was specifically referring to in that quotation, and that was not purchases of commodities in the international markets. It was direct, military and political intervention in another part of the world. In other words, abrupt and selfish political acts of aggrandizement can upset international economic progress as well as the political aspect. Our assessment of these matters could be mistaken but it is, I think, for the Commission and the Council to say that we are mistaken in our assumptions and I have my doubts whether they will be able to do that.

The basis of Soviet Russia's approaches, not only to the developing world but also to the Community, has always of course been that of bilateral agreements. I am sorry to say that this approach seems to have proved itself all too worthwhile for the Communist countries. It is now high time for the Community to respond to the Community reality and put such matters onto a collective basis to ensure strength in numbers by operating together *vis-à-vis* COMECON and the individual Eastern block countries. The advantages which the Soviet Union draws from privileges granted to her by individual Community countries — privileges often not granted at all to the legitimate occidental trade partners of the Community, who are politically and socially far closer than the Soviet Union ever will be to the European Economic Community — do not correspond in any way to the size, the real size of Soviet trade with the Western Europe as a whole and indeed with the Community.

May I just raise one particular point here, to give an example of the Soviet Union's increasing grip on civilian shipping. Shipping companies in the Community now are facing extra special difficulties because of competition from Soviet vessels. This is a particularly serious problem now in line traffic.

The Russian authorities — may I hasten to point this out to Members who do not know it — always ensure that the delivery of goods is made in the harbour of the country in which the contracting party is situated, both when purchasing goods and when selling goods. In this way the Soviet Union ensures that all transport is made in Soviet vessels. As for transportation on third country markets, Soviet vessels are sailing in line traffic for rates which are far below the rates of the EEC shipping companies. This is an unequivocal example of dumping and the sooner the Community focuses on this in any conversations with COMECON, the better.

That is one example. May I follow quickly with one or two other facts to remind honourable Members of this House of the realities of the situation. It's all very well COMECON approaching the Community, albeit in a somewhat unusual and bizarre fashion, and saying that they want a balanced and reciprocal agreement with a favoured nation basis. East European imports to the Community represent 3 % of total EEC imports. EEC

trade as a whole, that is imports and exports, with COMECON as a whole, are 8 % of the total trade of the Community throughout the world. On the other hand, by contrast, we should remember that Soviet and COMECON exports of, for example, key materials like iron, steel and coal can easily make up more than a fifth of total world production in these vital areas. I mention this contrast deliberately to show the existing imbalance.

The Soviet Union has already been granted extensive credit by individual Community countries often competing one with another, and our French colleagues, I think, have a responsibility to relate their own Community aspirations to what the French Government has done in the last two or three years. But I criticize equally those credits granted two years ago by the British Government. They were very extensive, and at subsidized rates of interest on a basis which never has been offered to our friends, and this therefore, has to be borne in mind. Admittedly now the present situation, at least temporarily, has improved on the immediate trading account. I think the EEC has quite a good surplus on trade with the USSR. That does not apply to some of the individual Member States, but overall it is so. How long that will last is difficult to say. By definition the Soviets have a very heavy demand for Community technology, for sophisticated equipment, for high-technology products, as well as a desperate need for continuing grain purchases, for example, primarily from the USA, Canada, to a lesser extent Australia; even France was involved two years ago in exporting some grain to the Soviet Union.

But the overwhelming demand for high technology and manufactured imports from the Community countries will presumably mean that there can be built up a very successful trading pattern for the Community, if the right kind of trade agreement is negotiated in due course. This may take some time, and we were only too well aware in Question Time yesterday, how long this may take, when a hint was dropped that this whole question of the Commission's draft agreement to be submitted back to the Council may in fact now take longer than perhaps we originally had hoped. But I do hope very much Mr President, that it is not going to take too long, because the existing patterns, as I tried to suggest, are in many ways undesirable already. We do know, of course, that some individual COMECON countries have been pressing the Soviet Union to take the initiative in a balanced and genuine trade agreement with the Community, but the different requirements of the different COMECON countries means presumably that that too will be problematical. To take the obvious example, since Outer Mongolia is a significant member of COMECON, the contrast between Outer Mongolia's requirements and those of Czechoslovakia will be very substantial indeed.

We find it difficult in the Conservative Group, Mr President, to understand how fair competition can be safeguarded between industries in the free world and the state-trading countries. We fear that always the advantage will be on the side of the state-trading countries. An obvious example of that is the small Soviet Fiat saloon, I think it is called the 124. The Soviet Fiat saloon is cheaper than the genuine Italian article, and that, I think, is a very sobering thought, not only for Italian car workers but for car workers in other Community countries who are now still facing the recession, unemployment and other difficulties, particularly in the British car industry. Whilst these difficulties are not directly attributable to the Soviet car exports, of course, because they are extremely minuscule, nonetheless in the future I think we are going to see a build-up on this front.

We believe, therefore, that the only explanation of the weak position in which the Community countries find themselves now, and in which they have put themselves because of a lack of a common policy, is the usual one that the Community, because it has many things to deal with, is continually taken by surprise by the obvious. I regret to say that, but I believe it is true. The fact that the proposals from COMECON were handed over to President-in-Office Thorn, and not, as our normal procedures would indicate, to the Commission, has been taken by some of us as a conscious provocation.

Why will the Soviet Union, why will COMECON not indulge in a formal recognition of the Community? I would like to know how keen the Commission is to see a proper recognition. Why is there a contrast between the attitude of the Soviet Union and that of the People's Republic of China, which has recognized the Community, not only in trade terms but in full international legal terms? Why will the Soviet Union and the other COMECON countries not do this? This lack of recognition by Soviet Russia in particular must be in flagrant contradiction if not with the exact specific words at least with the spirit of the final acts of the Helsinki agreement, when it was said in the preamble to basket 2 on economic, scientific, technological and environmental cooperation:

'reaffirming the will to intensify such cooperation between one and other, irrespective of their systems in regard to multilateral agreements.'

Those last two words are really the key therefore, I think, to any future relationships.

It is not really right, I suppose, to go into the wider field of the human and political violations of the Helsinki agreement that the Soviet Union has already perpetrated in such a short space of time on basket 3. Basket 2 violations are much more to do with crude trade matters, with dumping, with deliberate distortions of free markets in products and so on. Nonetheless I think I am entitled to say that, in respect of the wider aspect of violations, in humanitarian terms, in

terms of civil rights — even Mr Bertrand would agree with me — the Soviet Union has already flagrantly ignored and violated many of the requirements of the Helsinki agreement. And so I believe that the European Parliament should register at the very least its disapprobation of that and, at the same time, build into those arguments the natural link between the wider human aspects and future economic relations.

The centralized Russian trading system, which can concentrate on national, economic and political considerations without any concern for the real cost of production or individual aspects of production and output, provides the Soviet Union, as well as the other COMECON countries to a lesser extent, with an enormously powerful weapon with which in the future to weaken Western industries if our countries do not stop regarding trade with Soviet Russia in the same benevolent fashion as they regard trade with other countries in the rest of the world. If the Soviet Union's heart is displayed fully and fearlessly in the deep love that the Soviet Government expresses for all humanity in the rest of the world, why does the Soviet Union not try and do at least a fraction of what the Community does for the underdeveloped Third World? Why is the Soviet Union absent from the North-South dialogue, why is the Soviet Union absolutely, adamantly against realistic relationships with GATT in respect of particular commodity trading agreements? Why is the Soviet Union ringing Western European countries with massive armed forces on land, sea and air? Is it for economic reasons, or is it for a deep love of humanity which we all implicitly recognize in the Soviet Government? I have deliberately widened the discussion without, I hope, being too provocative. But it really is time for the Community, not only to be proud of its incipient profile in terms of foreign affairs, but also to say we can no longer ignore the vital facts of our relationship in western Europe with the eastern bloc, with the Soviet Union, with COMECON, which has been described in past decades as a menace. Nowadays presumably, we should really try to reject those old arguments, but the Soviet Union provides us always with attesting absence of proof.

*(Applause)*

**President.** — I call Mr Berchem.

**Mr Berchem, President-in-Office of the Council.** — *(F)* Mr President, ladies and gentlemen, on behalf of Mr Thorn, who has other obligations to fulfil, it is my privilege to inform you of the Council's replies, a task which he would like to perform himself.

Allow me first of all, Mr President, ladies and gentlemen, to sum up recent developments in this area. As you know, the President of the Executive Committee of COMECON, Mr Weiss, visited me on 16 February in Luxembourg and presented me with a



## Berchem

letter proposing on behalf of COMECON that the question of an agreement between that organization and the Community be examined. Enclosed with the letter was a draft Agreement.

As its meeting of 1 and 2 March, the Council instructed me to send a letter to Mr Weiss. This letter was handed to the Ambassador of the German Democratic Republic in Luxembourg on 3 March and stated in particular that the steps taken by COMECON were a response to previous initiatives taken by the Community as far back as the meeting of Heads of State or Government in Paris in October 1972, these having been following by an offer in November 1974 to enter into trade negotiations with each of the Member States of COMECON and most recently by talks between a Commission delegation and a delegation of the COMECON Secretariat in Moscow in February 1975.

The letter also stated, that, in accordance with the procedures which govern their activities, the Community institutions would now study the issues raised by the COMECON approach. As Parliament well knows, these procedures require the Council to act on the basis of proposals from the Commission, and the latter institution, as Sir Christopher Soames will confirm, is already actively engaged upon this study. That is how the matter stands at present.

Parliament will appreciate that I am not able at this juncture to adopt a position on behalf of the Council on the substantive questions posed by the COMECON move. The Council is awaiting the Commission proposals before defining its position.

I might add, however, — and I think it is clear from what I have just said — that the provisions of the Treaty which govern the Community's external relations will of course be fully applied in this matter of relations with COMECON and its Member States. The question put to the Council refers to Parliament's wish to be fully informed of developments in these relations, and the Council perfectly understands that the Parliament desires to be able to play its part fully in this important matter. There exist in the sphere of international negotiations procedures agreed upon by the Council and Parliament which are specifically designed to enable the European Parliament to play its role and at the same time to preserve the confidentiality of the negotiations by applying the necessary safeguards.

Parliament will certainly endorse the view of the Council that common sense and established practice dictate that documents concerning negotiations in progress or negotiating positions should not be made public and that agreed procedures should be adhered to. I can assure you that the Council — and I am certain that the same will apply to the Commission — will adhere fully to these procedures.

Mr Dykes raises a whole series of questions which presuppose detailed analyses and studies which the

Council has not in fact carried out and which it is, moreover, not in a position to carry out. It has, furthermore, never discussed these matters. The European Parliament will therefore understand that it is impossible for me to reply to these questions on behalf of the Council.

Nevertheless, in a personal capacity, I can give you the following supplementary information by grouping these questions according to the subjects to which they relate. Let me point out immediately that I am in no position to reply to the question on the way the Soviet Union influences the international economic and monetary situation and world markets as a buyer and producer of primary commodities. A reply to this question would, moreover, presuppose a detailed analysis of the data available and of the various market situations. After all, we have little information on certain fields, such as Soviet production and sales of gold and, in such cases, we can only work on suppositions. In any case, perhaps the Commission could give the House its opinion on this matter?

As to the role of the Soviet Union in international efforts to achieve a more equitable balance and stability in the world economy, I think it may be said that this is limited inasmuch as it does not participate in all the international discussions on these problems. In fact, the USSR does not participate in the International Monetary Fund, in GATT or in the North-South dialogue. On the other hand, it does participate in the work of the UN, particularly in the Economic and Social Council and the Economic Commission for Europe, as well as in a number of international agreements on commodities, e.g. wheat, tin, cocoa and sugar.

You also mentioned certain fundamental problems connected with the relations between market-economy countries and planned-economy countries. It is generally recognized that the traditional market forces and, in particular, the law of supply and demand, do not have the same effect on the formation of trade patterns in relations between countries having different economic systems. The Community's potential for increasing its trade with the Soviet Union in the context of the five-year plans adopted by the USSR and COMECON will depend, to a great extent, on the percentage of imports from third countries allowed for by these plans in relation to what the USSR and COMECON can themselves produce or obtain through trading with each other.

In this context the question of the competitiveness of the industries of the Community must be viewed not so much in relation to the Member States of COMECON as to her main industrialized partners and competitors. Even so, the development of trade with the Member States of COMECON also largely depends on the capacity of these countries to finance their imports. But these countries, as we know, suffer

**Berchem**

from a chronic lack of strong currencies. The possibility cannot be ruled out, for example, that the substantial purchases of cereals which the USSR was forced to make recently might prompt her to reduce certain other imports from Western Europe. The non-convertibility of the Eastern European currencies is another factor which does not make their commercial transactions easier. Consequently, it is generally agreed that an increase in trade with the state-trading countries is, in the long run, fundamentally linked to an improvement in the sales pattern of these countries. That is, a growth in their exports of manufactured goods.

A trend of this kind would improve their trade balance which has a structural deficit — except in their relations with the USSR over the past few years — and would alleviate their shortage of foreign currencies. Moreover, there has been such an improvement recently. In the light of this, an increase in the capacity of the USSR and the state-trading countries to export manufactured goods through the participation of the industrialized nations in the industrial and technological development of these countries, besides being immediately beneficial to the economy of the exporting countries, should, in the long run, favour the growth of reciprocal trade patterns. This is not to say that there will be no problems of competition, but the situation is the same as it is when industrialized nations participate in the development of other third countries. Experience shows, and the absurdity of the present situation offers us the proof, that an increase in world economic activity is ultimately in everyone's interests.

The last important point I have to make is that these countries' chronic lack of funds explains why they always look towards the Euro-currency market for amounts which are extremely difficult to calculate and why they have substantial recourse to the export credit facilities offered by the Western countries.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — Mr President, the Council representative has gone a long way towards answering your questions. What you want, if I understand correctly, is to gain an overall picture and discuss the whole spectrum of relations between the European Community and the states of Eastern Europe and the Soviet Union.

Relations between the European Community and these countries should be governed by the two main principles of prudence and persistence. Prudence, because it is important not to mistake this or that aspect for the whole picture or to judge relations with the countries of Eastern Europe for evermore on the basis of a temporary economic situation in the Western world.

We must regard this as a long-term process. To a certain extent both sides have similar interests in the

fields of trade, technological exchange and industrial cooperation. We should not forget that there are factors that are identical on both sides. There is the arms race factor, and the need for innovation. The need for innovation leads to changes in society everywhere, both here and in Eastern Europe. The situation in Eastern Europe is that, in large sections of the economy and of society there is a need for imported technology from the West and for increased flexibility in the economic distribution system, especially at a time when these countries are also experiencing the first signs of a marked transition to a services-oriented society. This is a constant pressure, and this pressure, which coincides with Western interests, is a basis on which to do business. This business will serve not only to improve mutual relations, but also to stabilize the world situation. That at any rate is how the European Community sees these relations, and that is how we see the step that the COMECON countries have now taken in the form of Mr Weiss' visit.

We take a realistic view of these things. For us the question of recognition is not the central issue. I would go so far as to say that the question is wrongly put. What does 'recognition' mean? The Secretary-General of the CPSU, Mr Brezhnev, said at the 25th Party Congress: 'We want to establish formal relations with the European Community'. For me that is a form of recognition. We are there; they feel the need to negotiate with us, they want to establish normal relations with us. We shall make preparations. We shall seek a mandate. In accordance with accepted procedures we shall conduct the negotiations together with the Council, and you can rest assured that we shall not go naked to the conference table. We shall go to this conference well provided with a proper plan and with the necessary instructions. We shall thus be well prepared for the start of the negotiations. These proposed negotiations come after an exploratory phase that has already lasted more than a year. It is important to make a careful assessment of things.

We must now try to get a clear idea of the aims of the other side in these negotiations. We shall — and we have already given this careful consideration — work out a plan of our own for the negotiations. The essential thing, as already indicated in your speeches, seems to me to be to ensure that these negotiations contribute to improving contacts between East and West. Questions of trade and economic cooperation cannot be separated from questions of human contacts. In the long run — as you, Mr Dykes, have pointed out — we cannot cooperate effectively with Eastern Europe or have proper trade relations if there is no chance of setting up a business establishment there, if there is no way of getting data, including statistical data and production plans, and thus finding out one's partner's intentions, if it is not possible to visit one's trading partners and establish a network of permanent contacts there.

**Brunner**

One also needs certain guarantees that the money invested in this trade will not be lost, and we have the advantage that in this field we already have a great deal of experience. We are not starting these talks from scratch. We have a great deal of experience which took on tangible form at the Helsinki Conference in the contents of the preamble to Basket 2.

The central idea of this preamble is reciprocity. Since the two economic systems are very different, since trade between East and West cannot develop spontaneously in the same way as trade between Western industrialized countries or between Western industrialized countries and a large number of developing countries, it has to be organized. This requires a frame of reference. The aim of these negotiations will be to create this frame of reference. It should be clearly understood, however, that this will in no way detract from the powers of this European Community.

This Community is after all not an international organization of the traditional kind. It is something different. There is no antagonism between the Member States and the Community. The Member States are not it is true, indistinguishable in every respect from the Community, but they participate in the Community institutions in the same way as do the integrated institutions themselves. That makes this Community something unique in the whole world. Except at the level of the Federal State there is nowhere the same degree of cohesion, interdependence and institutional organization as in this Community.

We have our Treaties, and we shall undertake these negotiations on the basis of these Treaties. Nothing will be done that could damage the substance of the Community. I do not mean to imply that that is the other side's intention. It is not my business to judge the intentions of others. Our task is to make a realistic analysis of the situation and see where our interests coincide and what can be done to promote these common interests.

And now to your questions, which seek detailed answers to these points. It is true that the Soviet Union's share of world trade does not correspond to its importance as a world power. The reason for this is that the Soviet Union is a vast economic area in which internal trade is much more important. There is nothing unusual in that. Its share of world trade has, however, increased steadily in recent years. In the next few years, on the other hand, we shall perhaps see lower rates of increase than, for example, in 1973/74, when trade expanded by 40 %. This is an enormous increase, especially considering that in the same period there were already the first signs of a downward trend in the European Community's trade with other industrialized countries. And what about the period 1974/75? In this year of recession the Community's trade with other industrialized countries

decreased appreciably. Exports, for example, were down by 8 %. But exports to the countries of Eastern Europe in the same period increased by 21 %. This is a welcome development.

The extension of trade with the Eastern bloc thus provides us with the chance of improving our output and creating jobs. It will perhaps not be possible to maintain these levels in the next few years, but there is a growth potential which we want to make use of. This will then benefit not only us but of course the Soviet Union as well. Otherwise they would not be interested. Any contribution, however modest, towards promoting this development can thus also help to improve our relations with one another. And this is what we want to do.

I think it is wrong always to regard the development of East-West relations in the field of trade, and indeed in other fields, as dependent only on the initiative or the more or less favourable attitude of the other side. We, the European Community, are not a world power, but we have a role to play. The Eastern bloc is interested in dealing with us, and we can make the most of our rôle. And that is what negotiations such as these are about.

The Soviet Union conducts approximately half of its trade with COMECON countries, and only 25 % with the countries of Western Europe. But of this 25 % the European Community accounts for 17 %. Here too there is thus a great opportunity for further development to the benefit of all. Therefore it is not enough to go on saying that things are developing nicely by themselves and we do not need any negotiations. Of course, as far as our economic interests are concerned we are in no hurry. We are under no pressure. This means that the quality of the negotiations must not be allowed to suffer from haste; the important thing is to do the work carefully. It is however in our interests for the Soviet Union to be better integrated than before into the organic pattern of world trade.

This brings me to the question raised by Mr Dykes. The Soviet Union ought to play more of a part than hitherto in international institutions. As early as 1974 we had representatives of Community countries saying at the United Nations: 'Why does the Soviet Union not join the International Monetary Fund? Why does the Soviet Union not join the World Bank? It would be possible to come to an arrangement about voting rights. Why do they not take this step?' Why, we now ask, does the Soviet Union use only 0.05 % of its gross national product for aid to developing countries? And why is it that this Community allocates almost 10 times as much? Why is the Soviet Union not represented at the North-South Conference in Paris? I believe that these are matters where improvements must be made, and here, too, continuing, organic discussions with us, with the institutions of this community, could be of use.

**Brunner**

We must also encourage the Soviet Union and the countries of Eastern Europe to achieve greater continuity and farsightedness in their trade relations. This is necessary because otherwise we shall go on having erratic developments such as with the grain purchases of 1973. This sudden appearance of the Soviet Union as a purchaser of grain led to a serious disruption of the world market in agricultural produce. If we had been informed somewhat earlier, if it had been known earlier in the United States and in the European Community that there were signs of an impending bad harvest, if we had been able to compare the planned production targets with the actual state of production, then this disruption would not have occurred. That would have been to the advantage not only of Western Europe or the United States but also of the Soviet Union. For such erratic developments give rise to price increases, and price increases lead to greater inflation, and no-one should be under the illusion that any country in the world, whatever its economic system, remains unaffected by these developments. As we have seen, through trade Eastern Europe is just as affected by inflation as we are in the West.

In this context I would like to recall what has happened to the Soviet Union's oil exports. These exports, 50 % of which went for a time to Western European countries, were suddenly reduced to a third. The Soviet Union changed its policy and increased deliveries to Eastern Europe from a half to two-thirds of the total. This is another consequence of the lack of farsightedness, the lack of contacts. The European Community must therefore not relent with regard to the constructive part it has to play in achieving world-wide stability. These talks with Eastern Europe and the Soviet Union must be held.

Exactly the same is true with regard to state-guaranteed credits. Most of the Eastern European countries have an enormous deficit in their trade with Western Europe: the list is headed by the Soviet Union with a deficit for 1975 of \$ 1 400 million, while at the other end comes Rumania with a deficit of \$ 210 million. There is only one country in Eastern Europe, the GDR, which managed a small surplus of \$ 5 million.

Now please don't think that I say that in order to show that there too the Germans are once again the best. I say it to emphasize that we in the European Community must get together to develop a common policy toward export credits. As Mr Dykes said, we must not compete with one another. We must develop a system which provides for a reasonable combination of long and medium-term payment.

For all these reasons, and also for the sake of improved relations within the Community and of increased cohesion within the Community, it is a good thing that we are entering this phase of contacts. I believe that if we undertake this with courage, if we

enter into these contacts not timidly but calmly and with a clear plan, then this will lead in the long run to an improvement in relations, and then we, the European Community, will have done what was necessary for our own sake and for the sake of a more stable situation in Europe.

*(Applause)*

IN THE CHAIR: SIR GEOFFREY DE FREITAS

*Vice-President*

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

**Mr Radoux.** — *(F)* Mr President, ladies and gentlemen, it is with particular pleasure that I take the floor after the statement by the President-in-Office of the Council, whose discretion I understand and support.

I am also gratified to have heard the Commission representative speak realistically, which is as it should be in politics. As he has just pointed out, the realities of the situation in Europe make it imperative for us, in the wake of the Helsinki Conference, to be able to determine the conditions and channels in which trade relations between East and West could be improved.

With regard to the attitude with which the proposals put before us should be regarded, there are two things which should be said. Firstly, if we accept the fact that proposals on economic and trade questions are being put forward, then it is evident that we must respect all the commitments — whatever they involve — which were made by the 35 signatory states of the Final Act in Helsinki. There can be no doubt about this. Secondly, at this stage in East-West relations, commonly known as *détente*, something must be done in order to improve the atmosphere. In other words, the concessions must be reciprocal and views must converge in a realistic and comprehensive approach to the issues involved.

That is why we are in favour of East-West relations and opposed to any rigid adherence to a situation which could one day change and which, as the Commission representative quite rightly pointed out, could take a turn for the worse because of the absence of regular contacts.

This having been said, it should be realized that of all the negotiations conducted by our Community around the world those with the Eastern European countries might almost be said to be the last — and they will be the most difficult; they will also be the most drawn-out because everyone will have to display great steadfastness in order to explain his point of view to his negotiating partner and in order to overcome what I would even call difficulties of semantics and of interpretation. These negotiations will therefore, I repeat, be difficult ones...

**President.** — Please remember that we are all limited to five minutes.

**Mr Radoux.** — (*F*) Mr President, let me just make one brief remark. This debate is, to my mind, extremely important and the questions put to our colleagues are of consequence to the whole of Europe. We can only regret that the time at our disposal is so short. I know, Mr President, that this is something quite beyond your control.

The greatest danger which these negotiations hold for the Community is that of a certain loss of cohesion among the Member States, which might be tempted to sign bilateral agreements, whereas since 1 January, 1975, it is the Community which negotiates trade agreements on behalf of the Member States under conditions of which we are all aware. In these negotiations, we must make sure — and I stress this point — that the proposals put to us do not contain what I would call a trap. Lastly, with regard to credit, it is not to those with whom we are negotiating that we must look, but especially to ourselves.

Ladies and gentlemen, we must reach agreement as to the rates, duration and level of the credit, so as not to offer over-generous terms which would, of course, be to the advantage of our negotiating partner; I do not say 'opponent', since, on this trade front, he is not an opponent but a negotiating partner.

I shall end here, Mr President.

I also agree with Mr Brunner who recalled what Mr Brezhnev said at the XXth Congress.

I think that the proposal before us constitutes a *de facto* recognition. We should not expect much more. We should follow this up and take into account the fact that when this proposal was submitted to us, the Soviet Union was at the same time putting forward a proposal at the United Nations Economic Commission in Geneva to all the countries which signed the Helsinki Agreement. What we are therefore witnessing is, in fact, a trade offensive aimed at establishing relations with us. We remain faithful to the spirit of Helsinki and welcome this step, with the reservations which I have just outlined.

I hope that we shall have the opportunity for a more comprehensive debate at some future date, when we have more substantial information on the proposals in question.

Mr President, please excuse the remark which I felt I had to make about the insufficient speaking time allowed us in such an important debate.

(*Applause*)

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

**Mr Burgbacher.** — (*D*) Mr President, ladies and gentlemen, five minutes for this subject is of course a

drop in the ocean, but I must keep to it. On behalf of the Christian-Democratic Group, I shall talk about the question of the EEC and the Soviet Union, not about COMECON etc.

After the speeches from the representatives of the Council and of the Commission, which were both gratifyingly full, thorough and informative, I find myself in a rather difficult position, and I would ask you to appreciate this with regard to what I have to say, which will perhaps involve some critical remarks, for example of Mr Brunner's excellent speech, in which he said that it was not our business to examine the intentions of the Soviet Union or the Eastern bloc. From his point of view that is of course an important consideration. I hope he will agree with me that we, as a political institution, do occasionally have an obligation to deal with intentions, when necessary, and to recognize them in good time.

(*Scattered applause from the right*)

It seems to me that it is natural for the Soviet Union to be interested in relations with the EEC and the Member States of the Community, and that she must also — and this is not meant as a reproach but as a straightforward observation — use these relations to her own best advantage. I can imagine that in the Soviet Union's overall planning, whenever there is a shortage of food, or technical expertise, or knowhow, or capital, then the EEC appears to be excellently placed to make good the deficiencies. As far as it goes there is nothing wrong with that. I do not know that I would *always* say there was nothing wrong with it.

This Community could also come to be exploited by the Soviet Union, for example in the matter of credits. I remember what happened with the natural gas contracts with the Soviet Union. We in the Federal Republic were interested in acquiring the gas. Of course, we provided the capital for the investments which made it possible for the gas to be delivered, and we did this on terms which would have filled with envy any other applicant for the loan. We undercut our own normal market terms. I am not sure that that is right. We have freedom of competition, but this also means we have an obligation to compete fairly. This, however, cuts no ice with the Soviet Union, as Mr Radoux rightly pointed out just now. With state-trading countries there is no question of competition, except for that between state-trading countries themselves. For example, it was mentioned just now that during the crisis shipments of oil from the Eastern bloc and Eastern Germany were reduced. Where did this oil go? To those countries of the Eastern block which had previously been kept short by their great allies. And what did they pay for this oil? A price different from that previously paid by Western countries. There are no prizes for guessing in which direction the price was changed.

**Burgbacher**

Or in the case of natural gas — the price of the gas. By the grace of God and a happy arithmetical coincidence, the Soviet Union's supposedly calculated natural gas prices turned out to be uncommonly close to the less calculated Dutch natural gas prices. Is this a coincidence? You can believe that if you like. I choose not to.

My point is, then, that we must, as Mr Brunner said, develop our relations realistically. We should try not to be dogmatic. We should not be emotional either. But we should also — if you will forgive the expression — not allow ourselves to be taken for a ride.

*(Scattered applause from the right)*

and used as stand-ins for tasks that the Soviet Union, if she maintains that she wants to overtake us, really ought to manage herself.

*(Scattered applause from the right)*

If the Soviet Union needs grain, then she should be able to buy it, and if she has an oil surplus then she should be able to sell her oil. Naturally! The terms under which these trade relations are established should, however, as far as possible be in line with comparable market terms in other cases, otherwise the credit terms we have granted the Soviet Union could some day, in trade relations with the oil-producing countries of the Arab world, for instance, be held against us in very unfriendly fashion.

I am therefore among those who want normal relations with the Soviet Union and the countries of the Eastern bloc. We cannot now get rid of the difference between our systems. The statetrading countries have no market prices: whatever we do, there never will be market prices, but always competitive prices designed to get rid of the goods at all costs or, when we have a pressing need for the goods, to get rid of them at prices which would do credit to any monopoly capitalist. These are the facts of life!

We should, however, be on our guard and always know what the intentions are behind any measures and plans. We should not be mistrustful, but we should not be naive either. Being on one's guard, if it means anything at all, has nothing to do with mistrust.

Please forgive me for not saying anything about Helsinki, but thankfully this is not part of my task today — otherwise I would have a number of sceptical comments to make there as well.

Our relations, then, must develop naturally and to the advantage of both sides, not to the advantage of one side.

*(Applause from the centre and the right)*

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

**Lord Gladwyn.** — Mr President, I assure you I shall take considerably less time than you have allowed our colleagues Mr Radoux and Mr Burgbacher.

Mr President, it is certainly desirable that the European Parliament should debate the broad subject of the Community's relations with COMECON, for inherent in this problem, whether we like it or not, is the whole question of our attitude towards the Soviet Union and the future of the so-called *détente*, or 'peaceful coexistence', which, when translated into Russian, often seems, I'm afraid, to mean some thing approximating to 'cold war'.

The central point — and here I think I differ somewhat from my colleague Mr Radoux — is that whereas the Russians claim to have the undoubted right to do everything in their power by propaganda or even, when this is suitable, by physical means, as in Angola, to undermine what they call the 'Imperialists' — that is to say, the democratic powers — and to impose their own philosophy, including, so far as possible, their own peculiar political system, it is not permissible, they say, for the democratic powers to make any similar propaganda in Communist countries in favour of free societies or mixed economies, and still less to support any régimes opposed to totalitarian conceptions or favouring the installation or perpetuation of a free parliamentary system.

This being so, it was hardly reasonable to expect the Soviet Government to do anything particular to carry out their obligations under the Helsinki 'Basket three'. The truth is that you simply cannot 'liberalize' the Soviet régime. If it were liberalized in anything more than a superficial way, it would disappear and a revolutionary situation would arise, the outcome of which would be entirely unpredictable. It is only reasonable to assume, therefore, that 'tension' will continue unless the West folds up and agrees to be submerged in the 'wave of the future' predicted by historical determinists of the general school of Hegel.

But this by no means implies that peace, in the sense of an absence of general war, is unattainable or necessarily in great peril. Of course not. On the contrary, it would only be in great peril if a part of the democratic world succumbed to the 'wave of the future' and the rest at the last moment came to the conclusion that the only way to resist it was by physical means.

For it is perfectly possible, though not exactly easy, in all spheres — economic, industrial, defence, cultural and so on — to do deals with the Soviet Union, profitable to both sides. In that of defence, for instance it is still not out of the question that some agreed mutual reduction of forces may yet come about, and indeed it is most desirable that it should. But it is quite useless to think that concessions to the Soviet point of view will in themselves induce the Soviet government to be, as we should think, reasonable. Any concessions should be accompanied by counter-concessions of

**Lord Gladyn**

equal value. In trade, for example, any shipments desired by the Soviet government — usually heavy industrial goods, whole factories, food, 'know-how' or whatever — should be paid for in gold or hard currency, or in goods, such as oil and other raw materials, which the West wishes to have and not in goods which may well be a drug on the market such as the famous Russian Fiat car referred to by Mr Dykes. Credits, of course, can also be arranged, but there is no reason to suppose that they should be granted on particularly favourable terms. It is here that I entirely agree with what our colleague Mr Dykes said. It is also highly desirable, and indeed essential, that there should not be competition among members of the Community as to who can profitably grant the most favourable credit terms. That is absolutely suicidal. And it is in itself a strong argument for all trade with the Soviet Union being eventually handled by the Commission. This may be impossible at the moment, but it is an ideal which, I think, we should all share if we have the good of the Western democracies at heart.

In conclusion Mr President, I can only briefly allude to the obvious fact that COMECON is in no way the equivalent of the European Commission. COMECON is, in effect, controlled by the Soviet Government, and one of its chief functions is to consolidate, so far as possible and for as long as possible, the Russian hold on Eastern European trade. This is, no doubt unfortunately, a fact which we now have to accept if we want to trade with Russia and Eastern Europe at all. There is, of course, no doubt that such trade is desirable in itself and should be pursued for as long as, in the first place, it does not result in the Western democracies' being successfully played off one against the other and, secondly no deals in whatever spheres are concluded which do not demonstrably result in proved advantages to both sides. 'Friendly gestures', appeals to 'the spirit of Helsinki' and one-sided concessions are not only useless, they are positively dangerous; and if we embark on any negotiations with COMECON in this spirit we shall not go far wrong.

*(Applause)*

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

**Mr Kaspereit.** — *(F)* Mr President, I should first like to express my surprise at the restrictive interpretation of the Rules of Procedure which has resulted in speaking time being limited to five minutes for two of the questions put. I find that somewhat strange. Be that as it may, I shall endeavour to comply with your instructions.

I would like to emphasize, ladies and gentlemen, that although the picture is not altogether clear, the economic progress of the Soviet Union in recent years has been very substantial. Over the past five years, the

volume of Russia's external trade has grown by 90 %. It is true that the latest statistics reveal an imbalance in trade between the Community and the Soviet Union, which perhaps explains the recent visit to Luxembourg by COMECON's President, who hoped to revive the trade relations project, which the Eastern bloc countries seemed to have shelved in recent months.

Nevertheless, the Soviet Union is a powerful industrial partner with substantial resources of raw materials and, thanks to her potential in energy, is in an excellent position to tackle problems such as those facing our Western economies. This gives food for thought. The Soviet Union's position both as an industrial nation and as a producer of raw materials has allowed her to derive great benefit from the improvement in trading terms from 1973 onwards.

The raw materials, the petroleum and mineral products and the semi-finished goods which the USSR exports have undergone sharp price increases, especially in 1974 when the Soviet Union reviewed her export tariffs vis-à-vis the industrialized market-economy countries and also, although to a lesser extent, vis-à-vis her COMECON partners.

To give an example, the prices of oil and of petroleum products went up by an average 85 % between 1973 and 1974. Accordingly, the Soviet trade balance, which showed a marked deficit in 1972 on account of her grain imports, showed a substantial surplus in 1974. Furthermore, it would be as well to bear in mind — and this is significant — that the Soviet Union has a great margin of manoeuvre when it comes to convertible currency resources. She is said to have vast gold reserves and, according to certain estimates, her annual production alone is reputed to be equivalent to roughly ten months of imports.

Lastly, the Soviet Union retains the possibility of having recourse for financing purposes both to the Euro-currency market and to bilateral financial agreements at rates which remain favourable in view of the increase in the prices of the products imported. She has made considerable use of this possibility and has signed important protocols with most of the industrialized nations and also with private banks in countries where this kind of financing is not admissible, for example, the USA or the Federal Republic of Germany.

It is plain, Mr President, that, by her raw materials exports and by her involvement on the capital market, especially the Euro-market, the Soviet Union has an influence on our Western economies. She is apparently responsible, on certain fronts, for spectacular drops in and recoveries of the exchange rates. For example, she recently intervened on the timber market. The action which she can take vis-à-vis the producers of raw materials within her sphere of political influence is not particularly far-reaching and is, of course, taken to foster her own interests.

### Kaspereit

We are therefore in a paradoxical situation. We have before us a formidable partner able to influence our economic system, whereas we do not have the same means at our disposal. Yet the Helsinki Agreement contains a clause which is rarely mentioned, in which the Socialist countries promise to furnish more statistical data and more information on the bases for calculation, particularly with regard to production indices, prices, budgets, consumption, productivity and trade.

Despite this, the Eastern bloc countries show no hurry to forward precise information on the state of their general balance of payments. Why? Quite simply because that could, in their view, affect their external borrowing capacity and, indirectly, the value of the rouble and its parity with other COMECON currencies.

In our position as sole supplier of capital, we should be able to bring greater pressure to bear to ensure that these agreements are respected. This is not the case, and here we have further proof that the Helsinki Conference is probably one of the greatest fiascos of recent years.

Most of the provisions which entailed concessions by the Soviet Union are still dead letters. Spectacular though it may be, the Soviet proposal to convene pan-European conferences on the Basket Two problems of energy, transport and the environment, is gradually being revealed as a dilatory manoeuvre aimed at allowing the provisions of Basket Three concerning the free exchange of information and persons between East and West to sink into oblivion or even become totally meaningless.

These agreements have, in fact, served only to give official confirmation to the Yalta agreements; we cannot go on being the only one to make concessions.

The current world economic trend is such that the collapse of the Western economies would be a catastrophe for all countries, including the state-trading countries. The structures are so interdependent that we cannot solve the problems and achieve a new world economic order unless everyone involved, East as well as West, agrees to examine the situation, find a solution and subsequently obey the rules.

We should not lose sight of the fact that the Soviets are a hard-headed lot. The purely sentimental satisfaction which certain people derive from Helsinki and all the variations which can be composed on this theme are meaningless to them. These are games for Westerners. The Eastern leaders have practical minds. They are asking for advantages, and it is up to us to insist on the quid pro quo. The Community has a fundamental role to play by submitting proposals and displaying firmness.

I shall end by recalling that a study recently published by the International Monetary Fund shows that from the closing months of 1974 up to mid-1975, and on

the market in Euro-bonds alone — i.e. not counting other trade credits which are difficult to calculate or revolving Euro-credits — the Socialist countries borrowed the vast sum of almost 1 300 million dollars, while the total value of the 1974 Euro-bonds was just 6 000 million dollars. I think that these figures need no comment and that it is time for Europe to act accordingly.

*(Applause from the centre and the right)*

**President.** — Mr Kaspereit, Parliament decided on Monday that speaking-time should be 5 minutes only. That was the time to protest if it was too short!

I call Lord Bethell to speak on behalf of the European Conservative Group.

**Lord Bethell.** — I, like other speakers, would like to welcome the establishment of relations which seems to have come about between COMECON and the European Community. I would have wished that this step forward could have taken place a little earlier. A generous approach was made to COMECON about 18 months ago: a letter was sent by the Community suggesting that there should be an agreement between our two blocs but this was not replied to, and, I believe, not even acknowledged by some of the COMECON countries. Nevertheless, let us not go over old ground but let us welcome this approach and see what can be made out of it.

However, we must think cautiously about some of the proposals that will be made, and ask the Council and the Commission to protect very carefully the interest of our Community, because I foresee a number of traps that will be laid before us. Other speakers have mentioned them, and I will not take up the small time that remains to me by listing some of them. The one that I will mention, which seems to me particularly important, is the practice of picking off individual countries, one by one, by the offer of unreasonable credits at unrealistic interest-rates. A couple of years ago, the Soviet Union negotiated a huge loan with the United Kingdom at an interest rate of 7%. I trust that when any such proposal comes up between the Community and COMECON, such an unrealistic rate will not be contemplated and that we shall act in a thoroughly business-like way in the interests of both partners.

Dealing with state-run economies such as that which exists in the Soviet Union is, of course, a very different matter, and I would like to draw attention to some of the pitfalls that may await us. It is possible, of course, in such economies for goods to be produced without any realistic unit of production cost and then marketed in the West at totally unrealistic prices, by virtue of a political decision made in Moscow, where they, for their sins, attempt to run the whole economy of that enormous country. I will only mention one



**Lord Bethell**

small instance which occurred in several of our countries in the last couple of months. Woollen suits were suddenly offered for sale for something in the region of £4 to £ 6, or about \$ 10 a suit. This was, of course, totally absurd, and, under existing trading arrangements with the countries concerned, we were able to put a stop to such obvious dumping.

I simply mention this matter in the hope that any most-favoured-nation treatment or any other arrangements that we negotiate with COMECON will be designed so that we do not have to submit to dumping.

Now this is not the time to go into the question of Helsinki in very great detail. I believe we shall be talking about it at the next part-session in Strasbourg, but I would like to mention briefly a few of the matters on which I hope the Council will be able to give us some information. I have received information, for instance, that, contrary to the terms outlined in the final Act, foreign newspapers are still not available in Moscow — other than, of course, the Communist papers, and sometimes not even them. Visas are still difficult to obtain. Mr Brunner very rightly complained that his dealings with the Soviet Union are complicated by the fact that communication with that country is so difficult. He cannot get visas to go there, or only with great delay. Postal services are poor, often interrupted, and telephone services are, of course, under very strict control. At the next part-session in Strasbourg, will the Council, which, I know, is monitoring the final Act, through the political coordination machinery, give us a progress report on the monitoring which it has done, and will it tell us, when we come to debate this matter, whether it feels that Helsinki is being observed, particularly by the Soviet Union?

I will sum up simply by saying that I very much welcome this approach. I hope that all the Community institutions will be involved in this negotiation, not just the Council, not just the nine-headed hydra of the Council, which could be used to drive a wedge between our institutions. All the institutions, including the Parliament, I hope, will be involved.

*(Applause from the centre and from the right)*

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

**Mr Sandri.** — *(I)* Mr President, for our part, we will go no further than to note the reserved tone of the statement made by the Council representative. I would, however, like to say how gratifying we found those made by Commissioner Brunner: in our view, this is precisely the path which we should follow and we therefore hope that there exists the political will to overcome the obstacles — both political and practical — which stand in the way of an agreement between the two sides. Our wish is that this agreement may be

achieved, without prejudice to every country's right to retain the bilateral relations which are the mark of independence.

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

**Mr Schmidt.** — *(D)* In contrast to the attitude reflected in many contributions to this debate, we, as socialists and as the Socialist Group, welcome the move by COMECON and see it as a fairly logical development from the recognition of realities which Mr Brezhnev spoke of, via *de facto* recognition and the publication of the Final Act of Helsinki, to this concrete proposal. We are also pleased to note that the policy of *détente* over the last few years has led, as already pointed out in Mr Klepsch's report, to a brisk increase in trade between the European Community and the state-trading countries. We regard the initiative taken by COMECON in opening negotiations with the European Community, moreover, as a result of the Helsinki Conference. We also take the view that COMECON's offer of a treaty is meant to be taken seriously and is aimed above all at establishing better relations, and has no ulterior motives, as some people here have suggested.

I have rather gained the impression from this debate that in almost all quarters, on the part of both the questioners and the other speakers ideological considerations have played a greater part than sound economic considerations, and I must say that in what has been said here today I have at times detected a certain scepticism or even hostility towards *détente*. I was particularly amused, Mr Burgbacher, that you accused the Soviet Union above all of doing what capitalists normally do, namely applying dumping prices in some cases while demanding the highest possible prices in others. When other people do it this is obviously disgusting; but when one does it oneself, it is perfectly acceptable as part of the freedom one enjoys.

Our view is that it is legitimate for COMECON to base its proposals on its own interests, and that it is legitimate and necessary for the Commission and the Council of Ministers to take full account of our interests in giving their reply and that means above all that this offer must not lead to our retreating one inch from the level of integration we have already achieved.

Nor do we share the fear that no attention is apparently to be given to the Commission. If you read the text of the draft treaty — and here it must be said, Mr Acting President of the Council, that while it is commendable of you to maintain confidentiality, we must not overlook the fact that the GDR, whose minister paid a visit to the President of the Council, has published the complete text of the treaty in its newspapers — and that is another thing that should be discussed some time, namely whether that is normal procedure — if you read the text you will see

**Schmidt**

that the provisions which refer to the organs of the Community do contain a recognition of the Commission, so that this question is thus quite out of place.

There is one further point I would like to raise. I do not quite understand why at the very time when COMECON has approached the Community with proposals for a treaty the four Groups — you could almost call them the emergent European right-wing bloc — are complaining in a question that the results of Helsinki are still not being put into practice and COMECON has still not recognized the European Community. It seems to me that one can hardly ask for more than an approach to us with an offer of a treaty and a draft treaty.

One last word, Mr President. I agree with Mr Dykes that Parliament should be involved. I think — perhaps rather cynically, and please do not take this too seriously — that it would be useful to establish contacts between parliamentarians on both sides as well. Here we can criticize everything without being able to decide anything. Parliamentarians in the COMECON countries cannot criticize anything, but decide everything. That would at any rate be a basis for joint discussions at parliamentary level.

*(Laughter)*

**President.** — I call Mrs Kruchow.

**Mrs Edele Kruchow.** — *(DK)* I too agree that it is very important that the period of contact between the European Communities and COMECON should continue. The main difficulties will arise from the differences in structure between the European Communities and COMECON, which Lord Gladwyn also mentioned when he pointed out that we all knew that COMECON was controlled by the Soviet Government.

Mr Brunner said — and I was very glad to hear it — that in the negotiations we must above all be realistic, persevering and patient. I should very much like to know, however, whether this means that, during the negotiations, the European Community will constantly take pains to see that we do not shift the balance inside COMECON to the Soviet advantage in such a way that the smaller countries in COMECON might become even more dependent on the great powers than they are already. I think it is very important in the long term that the members of COMECON should be able to negotiate more and more freely without the Soviet Government breathing down their neck every time something is about to happen.

Many speakers also mentioned the grain purchases which the Soviet Union started to make in the USA in 1973. I fully agree that such purchases might in the future have various unforeseen effects on the world market prices, i.e. in the foodstuffs sector. I feel, however, that we should not stop reminding the

Soviet Union that they took part in the 1974 UN World Food Conference at which practically all parties agreed on the idea of an overall information system on harvest prospects; nor, indeed, should we stop trying to hold the Soviet Union to what was agreed, since it is not only prices which are involved but also our relations with the developing countries. If we build up vast stocks in the rich industrial countries and keep them for ourselves, this may endanger the excellent relations we have developed on the basis of the Lomé Convention. We might, therefore, have several interests to consider in this area too.

**President.** — I call Mr Normanton.

**Mr Normanton.** — Mr President, I think it was Bismarck who is reputed to have made the statement that war is but an extension of the weapon of foreign policy. *(Interruption)* I beg your pardon, Clausewitz. We would be very ill-advised when thinking of the Soviet Union, if we did not recognize that in their philosophy trade policy is regarded and used by them as but an extension of foreign policy. I am sure, from the many views which have been expressed in this House this morning, that most if not all Members of this House recognize that Western politicians and political leaders would be acting in a highly irresponsible manner were this fact to be ignored. We only have to call to mind the way in which, not only in trade but in many other devious and covert ways, the Soviet Union is involving itself increasingly in the industrial and commercial fields in pursuance of what I believe is their ultimate political objective.

We have already raised in this House the question of industrial espionage, and we have posed the question — and indeed many of us firmly believed we had the answer when we posed that question — as to why Concorde and Concorde have more than the general configuration in common. Indeed I think it is not untrue to say that only too frequently, in many areas of our industrial high technology, a dropped copy of the drawings is dispatched by special messenger eastwards.

We only have to think, for example, of the way the coastal areas of Europe are continuously under surveillance by so-called innocent trawlers and the like all engaged in this intensive and continuing exercise of military espionage. We also have to recognize that only too frequently — if not invariably — when a major industrial contract is placed by the Russians with a Western company the terms not only include a condition that shipment shall be in Russian ships or by Russian transport, but also that the inspection, the monitoring, the checking of the whole process of their production in Western factories shall be under the continuous supervision of Russian technicians. This again is all part of the area in which the Soviet Union sees trade and industry as a mere extension of its political techniques.

**Normanton**

I think also we have to recognize that, as my honourable friend Mr Dykes pointed out when he mentioned shipping policy, tariffs are quite openly and firmly declared to be 25 percent lower than any in the Western and the free world. We have to recognize also that the Soviet Union gives aid to its friends in one of a number of forms, but one in particular. We only have to reflect on the Aswan Dam: it was not a matter of Russian money being granted directly to Egypt, it was the hypothecation of the Egyptian cotton crop to the Soviet Union for far more generations ahead than anyone can at this point of time compute. In other words, shipments of Egyptian cotton, the highest quality cotton in the world, are going on to the world market through Soviet commercial channels. Much of this, of course, is handled by Soviet satellite textile manufacturing plants and then shipped in the form of fabrics and garments to all parts of the world.

The prices asked have a political objective — obvious to those with eyes to see — rather than a commercial objective. The political objective is to win currency, to win friends and to erode the capability of Russia's enemies. The West has, we must recognize, concentrated its industrial business with the Soviet Union on the manufacture and export of capital goods. By doing so of course, we must be aware of the fact that we are updating the technological and industrial capacity of the industries of the Eastern block, at the expense of our own Western industries. If you are engaged in industry in the West, you have to pay as a manufacturer the full market rate of interest for your borrowings, and yet the actual interest charged to Soviet industrial undertakings is either zero or so small as to be derisory. In other words, we are repeatedly subsidizing the very development of the Eastern industrial block, to the detriment to those of us who are engaged in industry in the West.

By doing this, Mr President, I believe that the West is digging its own political grave. I earnestly hope that the Commission will take note of the many points which have been made along these lines in the course of this debate and take account of them in their proposals to this Parliament for future developments and future adjustments in the field of our commercial relationships with the Eastern and the COMECON countries.

*(Applause from the centre and from the right)*

**President.** — I call Mr Vandewiele.

**Mr Vandewiele.** — *(NL)* Mr President, I should just like to make three brief remarks. Firstly, I should like to stress that the questioners do not wish to be classified as belonging to the left or the right, as some speakers have tried to do. Our question is a purely parliamentary, Community question aimed at showing clearly the extent of our interest — which is shared by Parliament as a whole — in the enormous possibilities

offered by negotiations between COMECON and the Community. The question was intended positively and the questioners had no ulterior motives. If certain insinuations have arisen in this debate they have not come from the questioners.

Secondly, I should like to thank the Council and the Commission for their extremely clear answers which, of course, were predominantly legal in character. We will re-read the Council's answer with particular attention. I hope the non-confidential documents regarding the negotiations will be submitted to Parliament as soon as possible so that the relevant Committees will be able to discuss them with the Council and the Commission.

Finally, I should like to make a personal observation which my entire Group supports. I hope that these important negotiations will prove to be valuable, that they will be conducted in a realistic manner and at an even pace, and that they may contribute to closer cooperation in our Community and foster prosperity not only in our own countries, but also in the countries of Eastern Europe, thus improving the prospects for world peace.

*(Applause from certain quarters)*

**President.** — I call Mr Dykes.

**Mr Dykes.** — Mr President, I would like to join Mr Vandewiele in expressing my sincere thanks to the Council and the Commission, and particularly to Commissioner Brunner, who took over this task at relatively short notice. I am grateful to him for that, as is, I am sure, the whole House. Nonetheless, without sounding too churlish, I hope, I must register some disappointment in the contents of the answers. I realize, of course, that the Council was in a difficult position but the admission which its representative made, with devastating honesty, that the Council has not really even begun to broach the question of relations with the Soviet Union, even in a most general sense, is I think very dispiriting at this particular stage. And may I say to Commissioner Brunner that one would have liked to have had more by way of an answer in textual and in content terms, particularly on some of the specific products which may be traded in, say, the next decade, under a proper fully fledged trade agreement with COMECON, even if it were couched in theoretical terms and even if Commissioner Brunner, as he inevitably would have to, were then to add that we are only at the very early stages.

Nonetheless, I do think that this debate has been to some extent useful. Undoubtedly, this Parliament ought to return to this theme again in the fairly near future. I myself personally feel it would be totally appropriate for this subject to come up again in the context of the wider subject of breaches of the Helsinki agreement and the Final Act which we are to debate some time in the future.

**Dykes**

I was disappointed that Mr Sandri made such a brief and modest contribution. Undoubtedly he is not wearing one of those £5 suits that Lord Bethell referred to, but nonetheless one could have had perhaps more from him to explain just how Western European Communists feel that relations between the Community and Comecon should be constructed in the future. With those comments I join Mr Vandewiele in expressing my gratification at the opportunity we have had to debate this matter.

*(Applause)*

**President.** — I have no motion for a resolution on this debate. The debate is closed.

6. *Council Resolution comprising an action programme on education — Oral question with debate: Action programme on education*

**President.** — The next item is the joint debate on:

— the motion for a resolution, tabled by Mr Broeks, Lord Ardwick, Mr P. Bertrand, Mr Calewaert, Mrs Caretoni Romagnoli, Mr Deschamps, Lady Fisher of Rednal, Mr Hougardy, Mr Kavanagh, Mr Laban, Mr Meintz, Mr Mitchell, Mr Nolan, Mr Schulz, Mr Suck and Mr Walkhoff, on a resolution of the Council of the European Communities comprising an action programme in the field of education (Doc. 548/75);

— the oral question with debate, put by Mr Cousté on behalf of the Group of European Progressive Democrats, to the Council (Doc. 491/75):

Subject: Community action programme on education

The Group of European Progressive Democrats is pleased to note that a meeting of the Council of EEC Education Ministers was held on 10 December 1975 for the purpose of drawing up an action programme on education.

Could the Council state which features of the Education Committee's proposals it approved and the areas to which it felt priority should be given?

Could it also indicate what timetable it intends to follow to carry through this action programme on education, the urgency and importance of which must again be emphasized?

Finally, why was the all-important question of tuition on the European Community in schools and universities not included in its agenda?

I call Mr Broeks.

**Mr Broeks.** — (NL) Mr President, I would have liked to table this motion for a resolution on behalf of the Committee on Cultural Affairs and Youth. I am now doing so on behalf of the persons who signed this motion for a resolution, most of whom used to be members of this Committee before it was disbanded. I should like to draw your attention to the fact that from the time when the Committee on Cultural Affairs and Youth began to devote serious attention to questions of education as well as to those regarding

youth, information and cultural affairs, these matters developed in a favourable direction for the Community. The first conference of the Ministers of Education — i.e. not a Council meeting, but a conference of Ministers of Education from the Member States meeting within the Council — was held on 16 November 1971.

Even at that early stage the Ministers recognized the need for cooperation in the field of education. The second conference of the Ministers of Education, again meeting within the Council and therefore not as a Council meeting proper, took place on 6 June 1974, i.e. almost three years later. On this occasion agreement was reached on seven priority action areas in education, and it was decided to set up a temporary education committee which was to have brought out a report on the proposed priority activities. This report was produced somewhat later than expected, which is not surprising considering the state of affairs in the field of education at that time, at least the specific situation in the individual Member States — but it led to a further meeting of the Ministers of Education a year and a half after the first, on 20 December 1975, and this time they approved an action programme for education in their capacity as the Council of Ministers proper, not only as the Conference of Ministers of Education. The temporary mandate of the Education Committee was made permanent.

Over against the successful progress of the Europe of the blackboard — it is usually a green board nowadays, however — there is the fact that Parliament took certain retrograde decisions at one of its previous plenary assemblies — particularly the decision to disband the Committee on Cultural Affairs and Youth, which also influenced the field of education, by 9 March 1976, and transfer its work to the Committee on Social Affairs or the Political Affairs Committee. I am afraid, and I will express my fear quite openly, that just as happened on several occasions in previous years when there was no special committee for these matters, questions relating specifically to education will not be dealt with adequately because of the importance of social and political issues. It would not surprise me, therefore, if it was felt necessary in the foreseeable future to review the recent decision. In the past few years the Commission and Council have, partly at the insistence of Parliament, made a step forward and I do not feel that Parliament should now lag behind, either as an advisory or initiating body, on matters of education. So much for my preliminary remarks.

Now as to the motion for a resolution itself. The wording and intentions of this motion for a resolution are fairly obviously inspired by a provisional version — which I greatly regret — of the Council's resolution of 10 December 1975, which contained an action programme in the field of education. Some elements in this resolution are viewed in a positive light in the motion for a resolution, whilst others are criticized

**Broeksz**

and certain proposals are put forward. Fortunately when the definitive version of the Council resolution appeared we found that it did not differ substantially from the provisional version, thus obviating the need for modifications to the motion for a resolution.

We should be pleased with the results achieved, in the sense that the European Commission, although belatedly, has now in effect been granted the freedom to use the resolution of the Council at Community level as a starting point for legally based proposals. On the other hand, we feel that including the words 'the Ministers of Education meeting within the Council' next to the words 'the Council' in the title of the Council Resolution is something of a weakness. In order to eliminate all misunderstanding to the effect that the Council has thus adopted a resolution at Community level in the field of education for the first time, it should be pointed out that the Council of the European Communities as such had already reached agreement on 6 June 1974 and 16 June 1975 regarding a measure provided for by Article 57 of the EEC Treaty, i.e. to take initial steps towards the mutual recognition of diplomas, certificates and other evidence of formal qualifications with a view to introducing freedom of establishment.

Paragraphs 4 and 5 of the motion for a resolution contain a request that this cooperation should be such that it will ultimately lead to a genuine Community education policy. Some persons will be a little alarmed at such a formulation, for a great variety of reasons. Our basic preoccupation is to examine how we can cooperate in solving our common problems, i.e. it is not a question of turning the Commission and Council into a sort of super-ministry which will impose standard rules for curricula and teaching methods. This is by no means our intention. But we can say even at this stage that the diversity of educational systems in the Member States does not represent an absolute obstacle to cooperation, harmonization or even integration in a particular area. Problems which are in effect similar can be solved in various ways. The different solutions found do not necessarily have to conflict with one another. The education authorities and politicians should therefore examine in what areas and in what ways common problems can be solved jointly, thus making Community action possible and even necessary. As stressed recently by the Economic and Social Committee — you can find this in the Official Journal of November 1975 — education is central to the full and healthy development of the European Community. In addition to Articles 57 and 118 of the Treaty — mutual recognition of diplomas and measures regarding basic and advanced vocational training — the Economic and Social Committee regards it as an important fact that:

'it is increasingly recognized that the economic and social objectives of the Community can be attained only if economic and social policies are accompanied by appropriate educational policies, policies which will help assure not only the economic strength of the Member

States, but also a richer and fuller life for every one of their citizens. The future well-being of the Community — its standard of living and its quality of life — is dependent upon an imaginative and effective educational policy.'

Of course paragraph 7 of the Resolution states that at the proper time the reports of the Education Committee should be forwarded to Parliament so that it will know in good time what the Council can decide, and what it cannot on the basis of the proposals from the Education Committee of which the European Commission is a full member. If one takes a critical view one might indeed say that the action programme laid down by the Council does not go far enough, but nevertheless it represents a significant step forward, since coordination of the studies and the exchange of information, statistics and results of pedagogical research into education programmes with experts and persons competent in this field will enable us to examine possible ways of improving the links between the various educational systems and the mobility of schoolchildren, students, teachers and researchers. Seen in this light, the Commission's Directorate-General on Education and Research has a very useful job to do in coordinating work, research and documentation and collecting the information gained with a view to evolving and submitting concrete proposals regarding the fields of activity described in the Council Resolution.

Finally I should like to request the Council of Ministers of Education to consider not only Parliament's proposal for reforming the European schools system at their next meeting, but also paragraphs 12 and 13 of the motion for a resolution in which they are urged to examine the question of equal opportunity for a access to all forms of education. I assume that equal opportunity does not exist and that inequality is still the rule. This inequality of opportunity is further aggravated by the system of restricted admission, a system which is regarded as necessary for the time being, although undesirable. We feel that a thorough investigation should be carried out in his field too so that constructive Community proposals may be made on the basis of the results and of an overall approach to this thorny problem.

In connection with paragraph 13 I should like to draw your attention to the following. What can we do about the currently gloomy situation of youth unemployment? Hundreds of thousands of young people in Europe have a diploma to their credit but cannot find work now, nor will they be able to do so in the near future — at least they will not be able to find work in keeping with their qualifications. This serious question has already been discussed on several occasions in Parliament, but unfortunately we are still waiting for a solution. This problem, the significance of which is generally underestimated, will not be solved until we realize that it is vital to deal realistically at Community level with the problem of industry lagging behind developments in education or vice versa.

**Broeksz**

I recommended that Parliament adopt the motion for a resolution.

*(Applause)*

**President.** — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

**Mrs Kellett-Bowman.** — I welcome the fact that at long last the Community is beginning to take a serious interest in education, but it is ironic that it should do so only when the committee principally concerned with education as such, has died. I strongly support Mr Broeksz' comment earlier on that we do need a committee which specialized in this absolutely vital subject.

I agree with very much that is contained within the motion for a resolution, especially its very warm acceptance in point 11 of the proposals to protect the rights of higher education teachers and research workers employed in Member States in order to secure the free movement of staff between the Member States which is very important to our European ideal. Two points however give me anxieties, as I think the ex-chairman of the committee well knows. I mistrust point 9. I can just about swallow point 5, but I certainly mistrust point 9. I believe that the glory of European education lies in its diversity and we should lose a great deal if we try to provide a sort of Euro-education. Indeed, I should resist this with all my strength and this is why I have sought to put forward an amendment stating that decisions on curricula should be left in the hands of those already responsible for it in the Member States. Mr Broeksz has said, of course, that there is no question of the Commission prescribing curricula, but he then went on in the next breath to talk about harmonization and integration in certain areas. Well frankly, to my mind, those are remarkably similar concepts with which I disagree and it may be of interest to emphasize that the Council of Ministers, on page 5 of their action programme, refer to 'mutual understanding' which does not imply interference with curricula and is rather different from the closer equivalence referred to in point 9.

I am not happy either with point 12, still less after it has been elaborated by Mr Broeksz today, because he has gone back much closer to the original point which came before the committee and was in fact overturned in favour of this watered-down version. It is a very watered-down version of the original, which has sought completely free entry into universities without qualifications of any kind, but even so I still do not like point 12. I am opposed to it on both educational and financial grounds. The action programme itself, at page 11, wanted to concentrate initially on nursery education and compulsory education. Now I believe, and my group believes, that these are the right priorities. I am a passionate believer in nursery education. In my view educational deprivation does not begin at 7 or 11 as is sometimes implied. It begins at 2 or 3, for children from homes where

books and papers are rarely seen. I believe that it is vital that children from disadvantaged homes should have the chance of beginning their education early and that in these times of economic stringency any extra money available should go to this vital field.

I oppose it on educational grounds, because I cannot support any attempt by the Community to investigate the conditions of admission to higher education institutions in the Member States if this entails an attempt to throw open universities and polytechnics to entrants irrespective of academic merit. By the nature of that they teach, universities and higher education institutions must limit their number of students. Any other method entails a wastage of time and resources and eventually brings both chaos to the system and disappointment to those students who inevitably fall by the wayside. More specifically, from a United Kingdom point of view, I do not think for one moment that our university and higher education colleges would be prepared to revise their entrance requirements downwards or in any way to give up their own discretionary powers to admit only students with suitable qualifications. Members will not be surprised that the Conservative Group also has reservations on point 14 on the European schools.

I turn now to Mr Cousté's oral question which I support very warmly indeed, but particularly the final paragraph. If we are ever to get the idea of the European Community firmly rooted in the minds and hearts of our people, Mr President, we really must begin in our schools. Learning about the Community should become as natural as learning about geography or maths, but at present very little attention is being paid to this vital aspect, and very little help and advice is being given to our schools and teachers. Strenuous efforts are now being made by various people to fill this very serious gap. My own local college of education, St Martin's College, Lancaster, is in the process of preparing a pilot project on a curriculum and teaching materials with the cooperation of the Schools Council and the very willing and enthusiastic help of the Commission. They propose to set up a unit at St Martin's to do three things — firstly, to determine the place of European studies in the school curriculum for all secondary school pupils in the 11 to 14 age group, bearing in mind that Sussex University is already working on the 14 to 18 age group. Secondly, to create a model for the teaching of European studies to pupils in the 11 to 14 age group and thirdly to try out the model and appropriate accompanying material in a limited number of perhaps six to ten of our local secondary schools. Already the headmaster of one of our secondary schools has pledged his support and others will soon follow. When the project has been thoroughly tested in our local schools it will be made available to all the schools throughout the country. Similarly, efforts are being made at Lancaster University to establish a postgraduate course in European studies culminating in a second degree.

**Kellett-Bowman**

Mr President, all of us must hope that the present divisions of Europe will one day be healed, but if this is to happen, it is necessary to encourage the younger generation to take an interest in the fate of these countries. With this in mind, one of Her Majesty's ex-Ambassadors, Sir Cecil Parrott, who is now the Professor of Central and South-Eastern European studies at Lancaster University, has built up a small unit at the university to encourage such interest. In my opinion, the Community should encourage such initiatives as these both morally and by financial support. By why, Mr President, has this very important area of educational need and endeavour been ignored in the action programme? Nevertheless, despite these various reservations, we, as a group, are so thankful that the Community is taking an interest in education, that we will be supporting the resolution and of course Mr Cousté's excellent question.

*(Applause)*

## IN THE CHAIR : MR SPÉNALE

*President*

*7. Decision on urgency of a motion for a resolution (resumption)*

**President.** — Before suspending the proceedings, I must once again consult Parliament on the motion for a resolution concerning the situation in Spain (Doc. 48/76).

I call Mr Fellermaier.

**Mr Fellermaier.** — *(D)* Mr President, ladies and gentlemen. I think some clarification is required here, since the honourable Members have a right to know the background.

At the beginning of the week, the Liberal and Allies Group submitted to the other groups a draft motion for a resolution, to be signed by them as an inter-Group statement on the arbitrary arrests in Spain. I think we in this House all condemn arbitrary arrests, since they can have a negative effect on relations between the Community and Spain.

The six chairmen of the political groups — including a representative of the Communist and Allies Group — then agreed to call upon the President of Parliament to send a telegram to the Spanish authorities protesting against the arbitrary nature of these arrests, and after the chairmen's discussions Mr Durieux withdrew his motion. This was the background to yesterday's meeting of the enlarged Bureau, at which we found that the President, as the guardian of basic democratic rights, had not waited for Parliament's instructions to act. He presented the enlarged Bureau

with the text of a telegram dated 31 March from him to the Spanish King and the Spanish Government. This text was distributed to all Members of the Bureau yesterday, and there were no objections — not even from the Communist representative.

All the chairmen present at the meeting of the Bureau therefore assumed that all six groups — represented by their chairmen and the Vice-Presidents of Parliament — agreed with you and were grateful to you, Mr President, for having contacted the Spanish authorities so rapidly on behalf of Parliament. I was therefore just as surprised as many others probably were when this motion for a resolution was tabled yesterday evening, saying precisely what the President of Parliament expressed in his telegram. I have since heard that there was a brief debate this morning, that the result of the voting on urgency was not clear, and that the Members of my Group approved because they were not informed of events this morning — probably like other Members too. I must, however, make it quite plain: one way we can deal with such actions is to have a race to see who tables the first motion for a resolution. I feel, however, that this does not improve the prestige of this House. Another way of doing things, if there is agreement on the condemnation of such events, is to have inter-Group discussions. This has been done, and I therefore doubt very much whether, after the President's laudable action, the urgency is any longer justified.

*(Applause from the centre and from the right)*

**President.** — I call Mr Sandri.

**Mr Sandri.** — *(I)* Mr President, I explained this morning why we felt — and still feel — that this question should be submitted to Parliament. I regret Mr Fellermaier's remarks about the so-called race to be first. This is not our intention at all. In fact, the objective would appear to us to be too noble for us to mingle questions of Parliamentary procedure and a cause such as the liberation of political detainees and the call for the restoration of rights and of democratic liberties in Spain.

I was not present at the meeting of the Bureau. However, to allay any suspicion that there may be such a race, and to remove any shadow of a doubt, we are prepared to withdraw our motion for a resolution if Parliament expresses its support for the intelligent and democratic step which you, Mr President, have taken in your capacity as guardian of all liberties. If there is this expression of approval of your move, we shall withdraw the motion, since our aim will then have been achieved. The sole aim is to support those in Spain who are fighting for the restoration of liberty.

**President.** — I call Lord Castle.

**Lord Castle.** — I think it would help us all, Mr President, if you could give us the text of what you sent. I would hate any of those who opposed an emergency motion this morning to feel that they have been trapped into supporting something with which they did not wholeheartedly agree. I think the possibility of this Parliament fully endorsing your initiative and the initiative of the Bureau is well worthwhile exploring. My only regret is that, as the previous speaker has said, a cause so noble should have been the subject of what looks like an attempt at some fast action on the part of my friends over there.

**President.** — I call Sir Peter Kirk.

**Sir Peter Kirk.** — I can see no reason why this matter should be carried any further. An agreement was entered into by all six group chairmen. That agreement has been carried out. The reason why my group voted against urgent procedure this morning was in support of the agreement that had been reached. You read the telegram to the Bureau yesterday. You said after you read it, that as far as you were concerned that disposed of the matter. The representative of the Communist Group did not, at that point, raise any objection at all to the procedure that had been followed. What has happened now sir, is an abuse, and it is an abuse that should not be encouraged any further.

*(Applause from the centre and from the right)*

**President.** — I call Lord Gladwyn.

**Lord Gladwyn.** — I can only say, Mr President, that I entirely agree with Sir Peter Kirk and I agree entirely with what Mr Fellermaier said. I do not think there is any question of our treating this Communist motion with urgency. I understand that there is nobody in this House really prepared to dissent with your telegram, which you sent with the consent of all the groups, and that being so, I think we will leave the question as it is.

**President.** — I call Sir Derek Walker-Smith.

**Sir Derek Walker-Smith.** — Mr President, those of us who are not privileged to sit on the Bureau are in some difficulty in this matter. There are references to a telegram sent by yourself, the text of which is unknown, I think, to those who are not members of the Bureau. Would it not be better for us to be enlightened as to the contents of it? Perhaps, Mr President, you could explain to us in this Parliament, in what circumstances, you, as President of Parliament, send communications which have not been the subject of a resolution by the Parliament. I think it is important that when the President speaks in the name of Parliament, that Parliament should be fully apprised in advance of the action and endorse it — not retrospectively, if I may say so with respect, but before that

action is taken. For myself, I know of nothing in the Rules of Procedure which authorizes the President of the Parliament, eminent as he is, to send communications without consulting Parliament as a whole.

I say nothing as to the merits of this particular matter. I say nothing as to the contents of the telegram, with which as I say, I am not, as yet, familiar, but I do think it is constitutionally important, Mr President, that Parliament should be put into the possession of the full facts of the situation, of the text of the telegram, of the circumstances in which it was sent and of what opportunities there were, or should have been, for Parliament to give its endorsement to this action.

*(Applause)*

**President.** — I call Mr Covelli.

**Mr Covelli.** — *(I)* Mr President, much of what I wanted to say has already been said by the preceding speaker. I shall therefore make only one further point. I feel that, in a democratic Parliament, the President — who undoubtedly has the trust of at least the majority — should be allowed to interpret the wishes of Parliament by doing what he has done — i.e. by sending a telegram on the lines called for by the House.

However, I also feel there should be a limit to this method of interpreting Parliament's wishes, in that, before doing so, the President should consult not only those Members comprising the Bureau, but also those Groups or Members who are not represented in it.

If the wishes of this House are to be correctly interpreted, I therefore feel that the President should also be obliged to inform those Members who are not represented in the Bureau.

**President.** — I call Mr Bertrand.

**Mr Bertrand.** — *(NL)* Mr President, as Chairman of the Christian-Democratic Group, I should like to express my great surprise at the abrupt remarks of the European Conservative Group, who appear to forget that this Parliament has already, on two or three occasions, unanimously approved resolutions condemning all arrests and affronts to democracy in Spain. The President, in his capacity as such, has every right to express Parliament's unanimous wishes. If Sir Derek Walker-Smith has forgotten this, I should like to refer to his memory and ask him not to adopt such a tone with regard to our President's honourable intentions.

*(Applause)*

As if a Parliament which meets for only one week per month had to wait before reacting to certain events which would then be completely superseded! You cannot compare this Parliament with our national parliaments which meet every week and every day. We meet only once a month, and we have to be able



**Bertrand**

to react at the right moment. On behalf of my Group, I therefor emphasize that we congratulate the President of this Parliament for having reacted immediately, on 31 March, in the spirit of the three or four resolutions which this House has adopted.

*(Applause)*

**President.** — I call Mr Memmel.

**Mr Memmel.** — *(D)* Excuse me, Mr President, but we are not being asked to decide whether you were right or wrong to send a telegram — we have to vote on the Communist and Allies Group's request for an urgent debate. Either the honourable Member withdraws his motion, in which case the matter is settled, or he does not withdraw it and we take a vote — and in view of the excellent attendance in the House I know exactly what will happen to his motion!

**President.** — I call Mr Broeks.

**Mr Broeks.** — *(NL)* Mr President, I wish to support what Mr Bertrand said. I consider Sir Derek Walker-Smith's remarks completely unjustified, and if they had to be made, they are also a criticism of the chairman of his Group, Sir Peter Kirk, who should himself have told you if he thought the move was wrong. Sir Peter Kirk, however, obviously did not say so — and quite rightly too. If the President no longer has the right to speak on behalf of this Parliament, which has already spoken out so unambiguously on several occasions, one must ask oneself what sort of President of Parliament he is supposed to be. Someone with no backbone who does not know what is going on in this Parliament? Mr President, I consider Sir Derek Walker-Smith's criticism of you and his criticism of the chairman of his Group — although not expressed in so many words, it was clearly implied — to be completely unjustified.

*(Applause from the centre and from the left)*

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

**Mr Fellermaier.** — *(D)* Mr President, ladies and gentlemen, I very much regret that Sir Derek Walker-Smith felt he had to criticize something — perhaps for legalistic reasons — which, from a political point of view, presented no cause for criticism at all. On the contrary, we can only congratulate the President for expressing the view of this House without waiting for us to meet here in Luxembourg.

*(Scattered applause from the left)*

Secondly, I would point out that I have worked here under earlier Presidents as well. At each meeting of the Bureau — and you will not find this in any of the Rules of Procedure, Sir Derek, the practice was not invented by a lawyer but by a politically motivated President — the President of Parliament presents the Members of the Enlarged Bureau with all his outgoing correspondence. He does this without being asked to

do so, since he is the first servant of this House. That must be stated quite clearly here, and we should be grateful for it. I therefore feel, Sir Derek, that you should follow good British parliamentary practice and give us an explanation.

*(Scattered applause from the left)*

**President.** — I call Mr Dykes.

**Mr Dykes.** — Mr President, I hope you will permit me just to say one quick word as a younger member of the House, with apologies for my inevitable inexperience. I myself must express some bitterness at the Socialist attitude to what my colleague Sir Derek Walker-Smith has said. I think Sir Derek raised a most important point of principle about this House and its President's action in sending telegrams of this kind, even if such action is supported by the enlarged Bureau. Is it right for the President — and I am not in any way casting aspersions on the President in personal terms, far from it — to send telegrams of this kind on such a controversial matter? If it were referring to Spain in general and the wider issues of political freedom, may be it would be justifiable. I do not know whether the telegram referred to the particular names mentioned in this emergency motion. If so, for this Parliament to get involved in the potential legal action against those people without sufficient knowledge is very questionable, and I hope therefore that what Sir Derek said will be taken at its face value and not used by the Socialists in a crude diversion to try to deny the legitimate right of the enlarged Bureau to make reasonable decisions, but not to go too far.

**President.** — I call Sir Derek Walker-Smith.

**Sir Derek Walker-Smith.** — Mr President, I am grateful to my honourable friend for the very judicious and moderate things that he has just said which restores this matter, for those who are willing to listen and to understand, to the perspective from which it has unfortunately been distorted by some of the observations which have regrettably come from certain Members.

I did not indulge in any criticism of you, Sir, and no criticism of my honourable the leader of my group, whose authority and leadership I very much respect, just as I respect your Presidency of this Parliament. I join with Mr Dykes in saying it is regrettable that this slant should have been put on my observations, which, as anybody who listened to them objectively could have fully understood, were put in an interrogatory way for the purposes of clarification.

It is right that the Members of a parliament should know the procedures under which the activities of that parliament are conducted. I said that I had no knowledge of the telegram, I certainly make no criticism of its terms. How could I, not knowing what the contents are? What I am hoping is that we be given some explanation, not necessarily today, but at some

**Walker-Smith**

convenient time, of the procedures which Parliament can be expected to follow in these matters. I would have found myself failing in my duty, if, when there were difficulties and obscurities, I had not sought to raise them so that we as a Parliament could have the benefit of fuller clarification. What I said, therefore, was a fully constructive contribution. I do not resent the criticisms made of it, but I regard them as being of little value. What is wanted here is clarification and explanation, and I hope in a calm and objective way on some suitable occasion we shall be able to have precisely that.

*(Applause from certain quarters on the right)*

**President.** — I think we have now reached the end of this debate on the role of the Presidency. I am very glad we have had it, as the occasion was particularly appropriate.

I am not surprised that the question was raised by some British Members, since the Speaker is not, so to speak, entitled to express the views of the House of Commons. In this House, however, the President is allowed to represent Parliament in its outside relations — although obviously under the supervision of the Bureau and the Members.

As far as this particular problem is concerned, Parliament has already expressed its views in similar situations. You will recall that, during the last days of the Franco régime, I sent a telegram of protest in an attempt to prevent certain executions. Some days later, Parliament adopted a resolution more strongly worded than my telegram.

This time we were again faced with an urgent situation since, on 31 March, there was still one week to go before the next part-session.

On the basis of what I firmly believed to be the opinion of the majority of this House, I therefore sent a telegram whose wording was both, forceful and measured — as you will be able to judge for yourself in a moment.

I did not communicate it to the press, because I thought that the less the publicity the more effective it would probably be — the essential thing was to try to obtain the freedom of those who had been arbitrarily imprisoned. At the very next meeting, I submitted the telegram to the Bureau. Here is the text — clear in its message and measured in its wording :

'With regard to the arrest of Marcelino Camacho and Antonio Garcia-Trevijano, I would ask you to convey to your Government my extreme dismay, and that of the European Parliament, at a time when it was looking forward to a liberalization of the political situation in Spain in the longer-term hope of a *rapprochement* between your country and the European Community. We should welcome with great relief any satisfactory assurances on your part.'

We must close this debate now. I would remind you that Mr Sandri is prepared to withdraw the motion for

a resolution tabled by the Communist and Allies Group if the House gives its fairly general approval to the step which I took on your behalf in view of the urgency of the situation and in an effort to be effective.

I call Mr Sandri.

**Mr Sandri.** — *(I)* Mr President, I should like to confirm that, since our aim is to help the cause of the Spanish prisoners, we are prepared to withdraw the motion for a resolution, if the House gives its support to your step, and to join in the vote which we hope the House will express in favour of freedom in Spain.

**President.** — I do not think that this telegram can be the subject of a formal vote. We are dealing with a unusual case ...

*(Applause from most quarters)*

Since Parliament has just approved the telegram, I consider the motion for a resolution as having been withdrawn and this matter as closed. The Bureau will look into the way in which the President should act in such circumstances.

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

*(The sitting was suspended at 1.15 p.m. and resumed at 3.10 p.m.)*

## IN THE CHAIR : LORD BESSBOROUGH

### Vice-President

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

8. *Council Resolution comprising an action programme on education — Oral question with debate: Action programme on education (Resumption)*

**President.** — The next item is a resumption of the joint debate on the motion for a resolution (Doc. 548/75) and the oral question with debate (Doc. 491/75) on the Community action programme on education.

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

**Mr Yeats.** — Mr President, before I begin to speak on the resolution that is before us, I wish formally to ask the Oral Question in the name of Mr Cousté.

Speaking on the resolution, our group welcomes very much the appearance of this action programme. It is an appearance which is somewhat belated. It is a reflection of a somewhat belated interest in education at Community level, and I must say that, listening to Mr Broeks this morning, I could only agree with him when he said how much he regretted that the Committee on Cultural Affairs and Youth had died last March, and it is good to see this resolution before

## Yeats

us as a sort of a post-mortem activity on behalf of the members of this committee. One must regret that there was simply not enough business to keep the committee going. It is no reflection at all on the work done by the committee, nor was it any reflection, I think, on the work or the interest of this Parliament. The reason for the death of the committee was quite simply that the Community itself — the Commission and the Council — had not taken a sufficiently wide or active interest in education in the Community.

While welcoming this action programme, one must do so with some degree of restraint, because, for one thing, while it is called an action programme, it is really, I think, a somewhat misleading title. It is really more in the nature of a study programme. There is very little action and a good deal of study.

This aspect of it is particularly reflected in the section of the programme dealing with what to my mind is one of the most important of all educational problems in the Community — the problem of migrants. We have a million or so children of migrant families in the Community between the ages of four and eighteen. This presents a very grave and difficult problem. It represents a particularly difficult problem in areas where there is a very high density of migrant population. These migrant children must be integrated as soon as possible into their new and strange educational environment, and this, of course, entails very serious psychological problems. A child who has come from a totally different environment, with a different climate, different customs and traditions, different languages, is suddenly thrown into a new school, speaking in many cases a language that the child barely understands. This confronts us with the problem, therefore, of associating these children fully with the work of their new schools and at the same time, as far as possible, respecting their own cultural identities. It is vital that children of migrants should have a thorough knowledge of the language of the host country, otherwise they will be at a constant disadvantage, first of all during their entire period of education, and secondly when they leave school, in finding adequate work. It is patently obvious that a child leaving school without a really fluent knowledge of the language of the host country cannot expect to find anything but the most menial unskilled type of labour.

Unfortunately, this action programme offers very little that is new in this field. Essentially, progress activity is left to the national governments, and the education ministers agreed that at the national level every effort should be made to assimilate migrant children to the communities in which they live — expressions of hope with which we can all certainly agree, but with very little specific content to suggest that any real speeded-up progress is likely to result.

One wonders, in this connection, how effectual will be what is described as the 'coordination and oversight' of the Education Committee. I think that where studies are concerned at Community level this Educa-

tion Committee will be in a position to exercise adequate supervision, but one doubts very much whether the same will apply at national level. One gets the impression that so far as the education of migrant workers is concerned things at the national level will continue much as before.

That is not to say that the studies to be undertaken cannot be valuable. Studies into teaching methods, into the proper place of the mother tongue in school and the curricula of schools, access to education for migrant children, the use of radio and television in the education of migrant children, the setting-up of schools using more than one language — all these studies are very useful and one hopes that they will progress rapidly. But I think that we should make up our minds, the Community should make up its mind, national governments should make up their minds, that this is a very urgent matter. It cannot be left over. These one million children and those who will replace them year by year are growing up all the time. One, two or three years' schooling, once lost, can never be regained. A child who has had problems in school, who has been thrown into a school working in a language which he or she does not adequately understand, may never be able to make up the ground again, and this loss may continue during the entire lifetime of that child.

Another and equally urgent problem dealt with in the document of the Council is the question of youth unemployment. One must welcome very much the priority which is given in the document to this — indeed the only priority which is specifically set out in the programme of the Council. We know that of the five million or so unemployed throughout the Community, approximately one-third are under the age of twenty-five and that probably the majority of these — we do not know the exact figures — are without any adequate professional training. One can only speak of the appalling psychological effects on a child who after maybe ten, fifteen years of school has left school or university, if they get that far, and find themselves without a job. This is a problem which exists in all our countries and one can only welcome the sense of urgency shown in this document in regard to this problem. We are told that the report of the new Education Committee to be set up must be available by 1 July next dealing with this problem of youth unemployment. We await it with the greatest of interest, and one can only hope that when it does appear it will be far-reaching and practical, not merely calling for further studies, but making specific and practical recommendations and one can only hope and urge that whatever these recommendations are they will be adopted and acted upon without any delay. This is a problem which undoubtedly until now has been somewhat neglected and there is at least one Member State where it is not even known how many school leavers are unemployed, because there are simply no statistics to show what happens when a child leaves school.

## Yeats

My group also welcomes very much the stress that is laid in this Council document on equal opportunity in education. Paragraph 20 of the Council resolution speaks of the achievement of equality of access to all forms of education, and speaks of this being an essential aim of the educational authorities of all the Member States, in order to achieve equality of opportunity in society. The resolution refers in particular to nursery education, primary education and secondary education. But one wonders why there is this apparent specific and intentional exclusion of universities. We know that in many of our countries there is a very uneven range of entries from different social classes. Certainly in Ireland only about 2% of university students come from working class backgrounds, in spite of the fact that there is now free entry to universities for those who reach an adequate academic standard and that there are state grants available to enable the poorer children to go on to university. And yet there is a very strong social bias, or perhaps one might say anti-social bias, in the entry into universities. I think studies here would have been very useful, and I regret that there is no provision for them. There is absolutely no reason why studies of this kind should infringe in any way on university autonomy. I welcome therefore paragraph 12 of the resolution before us which calls for a thorough investigation into equality of opportunity as regards admission to universities and other higher education institutions and any restrictions that there may be on the number of students admitted. I do not think this would conflict with university autonomy. If it did I would be opposed to it, but I think that the fears expressed by Mrs Kellett-Bowman in her amendment are not justified. I think that the autonomy of universities, in which I certainly believe as strongly as she undoubtedly does, need not be infringed in any way. I think it is very necessary, not that one should tell a university to admit one person rather than another, but that one should try to find out why it is that, at least in some countries — certainly in my own, although in theory entry into universities is free to all with the aid of state grants provided they reach a certain standard, certain sections of the Community, particularly the working class, for some reason do not go to university. It is not at all a matter of calling upon the universities to change their admission policies but to find out what perhaps there is that one could do at national level to make admission to universities more even.

I would like to welcome also the provision for an exchange of views with regard to such matters as the free movement of teachers, especially language teachers, and students of different disciplines, and we should I think also give every encouragement to such European establishments as the European University of Florence and the College of Europe in Bruges. Education clearly plays a very vital part, or should play a very vital part in inspiring young people with the European ideal. I think that the more students and teachers of different disciplines, different countries are

brought together, the better it will be for the future of our economy. There is also a very great need for further work on the mutual recognition of diplomas and degrees, courses of all kinds, and one can only welcome therefore the studies proposed in paragraph 16 of the Council resolution. And finally, Mr President, my group is happy to give its support to this resolution, hoping that this new initiative of the Council will lead to rapid and substantial results in the vital field of education.

*(Applause)*

**President.** — I call Mr Berchem.

**Mr Berchem, President-in-Office of the Council.** — *(F)* Mr President, ladies and gentlemen, I shall give you the Council's reply to the question put by the Group of European Progressive Democrats of the European Parliament. As you know, at its meeting on 10 September 1975, the Council of Education Ministers adopted a Resolution based on suggestions contained in the report which they had requested from the Education Committee on 6 June 1974.

This Resolution proposes :

- better facilities for the education and training of nationals and the children of nationals of other Member States of the Communities and of non-member countries ;
- the promotion of closer relations between educational systems in Europe ;
- the compilation of up-to-date documentation and statistics on education ;
- co-operation in the field of higher education ;
- teaching of foreign languages ;
- the achievement of equal opportunity for free access to all forms of education.

The Council of Education Ministers also agreed to forward this Resolution to both the European Parliament and the Economic and Social Committee. This was done on 9 February 1976, after formal adoption of the Resolution following finalization of the text from the legal and linguistic points of view. All the areas of action covered by this Resolution are priority ones and the Council will endeavour, in its work, to observe this priority. Moreover, a precise deadline was laid down in the Resolution for the educational measures aimed at facilitating the transition of young people from study to working life and at increasing their chances of finding employment. The Education Committee has been instructed to submit an initial report on this subject to the Ministers before 1 July 1976, that is, in five months' time. You will appreciate that in the present reply I cannot describe in detail the numerous types of action provided for in Section 4 of this Resolution, which comprises six areas of action set out in twenty-two paragraphs.

## Berchem

However, I would like to point out, in reply to the question put by the Group of European Progressive Democrats that, in the Resolution, the Council of Education Ministers decided, in particular, to give a European dimension to the experience of teachers and pupils in primary and secondary schools in the Community, with Member States promoting and organizing educational activities with a European content. It will be for the Education Committee to put this decision of principle into effect in the coming months, taking due account of experience already acquired thanks to the 'European Day' organized in schools.

(Applause)

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

**Mr Vandewiele.** — (NL) Mr President, I should like to express my sincere gratitude to Mr Broeksz on behalf of the Christian-Democratic Group. He chaired the Committee on Cultural Affairs and Youth extremely competently for many years, and therefore knows what he is talking about when it comes to questions of education at the European level. We can subscribe to a great deal of what he said in his introduction and explanation of the motion for a resolution. The Council Resolution published on 9 February gives a clear outline of the action programme in the field of education. Mr Yeats has just said that this resolution consists mainly of guidelines for possible further study. He quite rightly called for *action*. I should like to support him. We are waiting for an action programme, i.e. a programme proposing specific *action*.

We note with satisfaction that the Council has reaffirmed its intention to promote Community cooperation in the field of education. I agree with the previous speakers that now that the Council has declared itself in favour of Community cooperation it was probably an unfortunate move on the part of Parliament simply to disband the relevant committee. I hope that plans to re-establish this committee will be drawn up in the next few days. It is my firm conviction that youth and cultural affairs deserve a working party of their own within this Parliament.

We welcome the establishment of the Education Committee consisting of representatives from the Member States and the Commission. The Council Resolution announces somewhat boldly that an initial report will appear before 1 July 1976. The President of the Council also drew attention to this just now in his answer to Mr Cousté's question. This report will deal with, among other things, Community measures in the field of education with a view to preparing young persons for employment and examining the possibilities for creating jobs, thereby reducing the risk of unemployment.

Consideration will apparently also be given to Community action designed to provide, in the context

of continuous training, further education schemes for young workers and young unemployed persons.

This report will undoubtedly arouse the interest of many Members of this Parliament. As Mr Yeats has already said, it was repeatedly pointed out in the debate on unemployment the day before yesterday that absolute priority should be given to assistance and guidance for young unemployed persons. All Member States should conduct a serious investigation into the problem of extending the period of compulsory education. We should, however, at the same time consider the question of what is to be done, what is to be learned and what the young people are to become during the extended period of education, since it is a fact that many of the boys and girls who now finish their education prematurely are simply not interested in further study or training. Does the blame and responsibility for this rest entirely with these sometimes less gifted and at any rate less motivated youngsters themselves? We are happy that the Council Resolution mentions joint action designed to reorganize elementary and secondary education with a view to giving all children the opportunity of developing their potential to the full. The measures we take now and in the near future will have to be a little less conventional. We must get off the beaten track. The appalling picture of the hundreds of thousands of young unemployed persons — including a great number with university training, who run the risk of becoming disillusioned and fatalistic as a result of the practical impossibility of making use of the education they have received — must encourage us all to be decisive.

Paragraphs 12 and 13 of the motion for a resolution tabled by Mr Broeksz are therefore also worthy of attention. Education in all Member States should be organized in such a way as to provide equal opportunities for access to all forms of education. In particular, the problem of general access to universities and other institutes of higher education must form the subject of renewed and thorough study. In most countries a more or less moderate system of restricted admission is currently in force. Such a system cannot be accepted or rejected just like that. What criteria must be applied? Our Group, at any rate, will never accept that the only criterion should be wealth, i.e. the capacity to pay for the studies. What criteria were used in the past? For centuries, education was provided for those who could pay for it. Those who were too poor could go out to work. We will never accept the application of such criteria if admissions are now again to be restricted. We hope that if a *numerus clausus* is to be applied priority will be given to those with the greatest ability. Many students who fall under these restrictions in their own countries frequently attempt to obtain a university education in another Member State. This regularly happens, for example, in Belgium where foreign students of, say, medicine who have been turned down in other countries simply hop

### Vandewiele

across the border and attempt to complete their studies at Belgian expense. Clearly, for this reason alone permanent Community-level liaison and, preferably, Community measures, are required.

We should be grateful if the Council would tell us which points in the action programme have absolute priority. May we indeed hope for specific proposals in the next few days, e.g. for the elimination of the obstacles which still stand in the way of free movement of students, teachers and university researchers?

One further remark regarding the problem of education for children of migrant workers and immigrants. I am grateful to the previous speakers for having highlighted this problem. Our Group would like to stress once more the need to improve the opportunities for general education and vocational training for the children of immigrants. There must be better reception facilities for these young people, since they have to grapple with problems about which Mr Yeats has just spoken very eloquently, i.e. the difficulty of adjusting to the educational system, and the language problems. We are convinced that there must be a great number of as yet untried possibilities, in particular, the organization of genuine reception classes and intensive courses in the language of the host country with the aid of modern media, such as language laboratories, video-recorders and special radio and, in particular, television programmes. Examples already exist. In some countries with a particularly large number of immigrant workers it has repeatedly been shown what is possible with the help of modern media in the field of adult training. I think we should press for the use of these media for youth as a whole. At our March part-session we had a lively debate on the promotion of tuition on Europe for young workers, in connection, I think, with Mr Laban's report.

We should like to appeal to the Commission once more to provide the funds and staff necessary to promote this European tuition. In his oral question Mr Cousté stresses above all that instruction on the European Community and its institutions should in future receive the attention it deserves in school and university curricula. It is not only the task of Florence nor — and this must be pointed out — of the College of Europe in Bruges to attend to this, since these institutions offer post-graduate training. Interest in Europe, its history and its institutions should be aroused at all levels of education, lower, intermediate and advanced, so that the entire younger generation in Europe can gain a greater understanding of the sometimes complex workings of our existing institutions.

Finally, I should like to say that I hope today's debate has made it clear that our Parliament sets great store by the development of a European education programme. We hope that the Commission will come forward with specific proposals in the near future, and a great many Members of this Parliament will cooperate enthusiastically in the task of informing the public of these proposals. This means that we also

expect a great deal from the measures proposed in the motion for a resolution before us today. We welcome the establishment of the Community Education Committee, and our Group will give its unanimous support to this motion.

*(Applause)*

**Mr Meintz.** — *(F)* Ladies and gentlemen, certain people have viewed the Council Resolution providing for an action programme on education as an attempt to mask the lack of progress on other fronts.

As a member and an ardent defender of the Committee on Cultural Affairs and Youth — the disappearance of which its Chairman, Mr Broekz, and myself regret, although I hold the view that we shall see it re-established — I should like to emphasize strongly that this is not the case. Even so, it is, of course, regrettable that discussions on education did not get under way sooner.

Mr President, I will be brief as just five months ago I had occasion to stress on behalf of my Group the great importance which we attach to joint Community action in the field of education. We are therefore pleased that the Council adopted a Community resolution on this matter at the oft-cited meeting of 10 December 1975. We are particularly gratified that this Resolution provides for two positive courses of action: firstly, the setting up of the Education Committee, of which we expect a great deal, and, secondly, the adoption of a programme on education, although what we have here, in my view, is more in the nature of a 'study programme'.

Incidentally, I could not forgive myself if, at this point I did not mention another aspect of the action which the Commission has just undertaken, I am referring to the action programme on culture which it has submitted to us and which is an essential complement to the action programme on education.

As I have just said, Mr President, the programme submitted to us is more of a study programme. Nevertheless, on behalf of my Group I must say that we fully approve of the choice of the major issues dealt with in Document No 503/75 in relation to certain priority actions. We believe that all these actions stem from a few fundamental ideas. Let me quote one or two of these. In Europe, the first thing to be done is to create conditions permitting the realization of equality of opportunity for all children. We know how difficult a task this is within our individual states, but Community action could help us at national level.

Another idea underlying this programme is the preparation of young people for working life. This calls in question the traditional system of education and its content, and also raises the problem of harmonizing the curricula of the various Member States.

Another objective of these different actions is to facilitate the transition from school to working life, a transi-

**Meintz**

tion which continues to be very abrupt. This point is particularly important in our efforts to conquer unemployment, especially among young people. In this connection, the action to be taken is therefore of vital importance.

Finally, there is also the problem of the integration of the children of migrant workers into the society in which they live and in which their parents work. All these fundamental ideas have to do, at least in part, with a social approach to education, that is, with the social implications of education. We are also pleased that the action envisaged in the field of education is not seen merely as one aspect of social action. This is something which worried men when responsibility for the matters dealt with by the now defunct Committee on Cultural Affairs and Youth was transferred to the Committee on Social Affairs, Employment and Education. We were then afraid that education might be viewed purely from the social angle which, although important, is not the only one. There are other specific problems involved in education. I am thinking, for example, of the action which would have to be undertaken in order to render the various educational systems equivalent to some extent. After a given period of education, the children of our countries ought to be able to get together and compare their respective levels, not in a competitive spirit, but with a view to their integration in society and working life. In addition, we welcome the action envisaged in the field of documentation and statistics. Obviously, this is a preliminary document, which we hope will not be applied in bureaucratic or arbitrary fashion, but which will enable positive action to be taken in the individual countries.

One point to which my Group would like to draw particular attention is cooperation in the field of higher education. The question put by the Chairman of our Group concerning the equivalence of architects' qualifications reflects our deep interest in this field. We should like to see an improvement in the possibilities for academic recognition of diplomas, periods of study and results. The question of access to the various levels of education, particularly higher education, obviously also falls within this context. It would be regrettable if there were to be any going back on the agreement reached within the framework of the Council of Europe on the recognition of end-of-study diplomas in secondary education with a view to university entrance. We deplore the fact that, because of national situations, it is not always possible to keep up with the Council of Europe, but we are convinced that if there is to be equality of opportunity in the future, then there will have to be free admission once more.

As to the practical aspects of the action programme on education, we must beware of overlapping. In this connection, we can make use of what the Council of Europe has already done in the field of cooperation

and documentation, and, thanks to European cooperation, we shall be able to go much further and achieve all these things by means of much stricter measures which will give better results.

In order to allay the misgivings in certain quarters, I should like to end by emphasizing that Community action on education does not involve giving up national independence in the sphere of culture and education. We want to preserve our different cultures and at the same time achieve harmonization of the various systems in order to obtain a certain degree of mobility. My Group therefore approves the resolution. Moreover, since we do not want to abandon the cultural independence of our individual states, we support the amendment tabled by Mrs Kellett Bowman.

We congratulate the Commission on these preliminary results and the Council on having approved them. We are now waiting for the follow-up studies, action and results.

*(Applause)*

**President.** — I call Mrs Kruchow.

**Mrs Kruchow.** — *(DK)* Mr President, I should like to make a few remarks regarding paragraph 14 of the motion for a resolution.

This debate on education has been postponed several times, and on the previous occasions document No 492/75 was also before us together with the documents under consideration today. I will not go into the question of why this document is not under debate today, but if paragraph 14 states that it is desirable that the Council should discuss the measures proposed by the European Parliament for the reform of the European Schools at its next meeting, I feel obliged to make a number of observations, partly because several of the previous speakers have discussed the problems of children of migrant workers.

I believe that the majority of members have expressed the view that these children should be integrated into the European School system. This is where I have a few misgivings. I hope that the Council and any others involved in the work on paragraph 14, if it is approved, will keep in mind the basic principle regarding access to education with the Community, i.e. that children, regardless of whether they are nationals of a Member State or come from third countries, should have the same opportunities to learn whatever they need. This is basically the wish expressed by previous speakers.

I feel, however, that we must go further and stress the following point: the parents of children currently attending the European Schools frequently return to their countries of origin after a few years' work within the Communities, and for this reason their children need education in the language of their country of origin while attending the European Schools.

**Kruchow**

The requirements of the children of migrant workers are quite different. Normally, these children stay in the host country for many years, and, as has also been mentioned, reception classes are being set up for them with a view to teaching them the language of the host country as quickly as possible, since the intention is to integrate them into the normal school system. It is quite clear that it takes considerable effort to provide good conditions for these children, but, to be quite honest, I am not sure that this is really the purpose of the European Schools. Therefore, even with the best will in the world, saying that the two groups of children should suddenly be lumped together for teaching purposes might even have harmful consequences.

I sincerely urge the Commission and others involved in this matter to collect information regarding teaching methods and requirements from the governing bodies of the European Schools, who must surely have genuine knowledge of the needs of children speaking a foreign language. It is vital that we obtain this information before going on with the technical measures and making any formal arrangements for the children of the European Schools and others who are to attend these schools.

Having said this, I should like to support the previous speaker's view that paragraph 9 should be amplified as proposed by Mrs Kellett-Bowman.

*(Applause)*

**President.** — I call Mr Mitchell.

**Mr Mitchell.** — I welcome the increasing interest taken by the Council in the whole subject of education. And I hope that the regular meeting of education ministers will continue over a long period and that the meetings will be held regularly and not once every two years as possibly has been the case in the past. I must say, as other speakers have already said, it does seem rather ludicrous that just at the time when the Council is taking more interest in education, we should have scrapped our Committee on Cultural Affairs and Youth which dealt with so many educational matters. I think that is a very great pity and I hope that we will look at this again and possibly next year even restore that committee, because I want to see more debates in this Chamber on the subject of education. It is one of the most important issues in the world today, and I think we are right as a European Parliament to be discussing the fundamental educational issues.

Turning now for a moment to the motion for a resolution, I agree very largely with it but I would just make one reference to point 5. I believe very strongly that we want as much cooperation as possible between the various educational systems at present in the Community. I think, as I have said, that at the meeting of education ministers where ideas can be exchanged we can all learn from each others' systems. But it would be wrong I think to try and impose too rigid a

Community system. We do have to allow for differences, of national characteristics, differences of nationality, differences of our existing educational systems. It would be a great pity if anybody really tried to abolish these differences and bring forward a uniform system. Having said that, we can of course learn a lot from each others' systems and I welcome any cooperation that takes place.

This leads me to point 9 of the motion for a resolution. I shall support the amendment moved by Mrs Kellett-Bowman to the effect that the curricula in each country should be the responsibility of the various Member States. I think this is right. We are not in a situation where a European curriculum can in fact be laid down. I think this ought to be spelt out fairly clearly.

On the other hand, I could not understand what Mrs Kellett-Bowman was trying to say in her opposition to point 12. That part of her speech seemed to me to contain a very elitist approach. She seemed to be implying that point 12, which calls for a thorough investigation into equality of opportunity as regards admission to universities and other higher educational institutions, would in some way lower the standards of entry. There is no earthly reason why this should be. I think it is absolutely right that there should be an investigation into the whole matter of admission procedures for universities and higher education generally. I want to see as wide an interchange as possible between students and teachers from the nine Community countries. I want to see far more British teachers and British students teaching in Germany, for example, and many more German teachers and German students coming to Britain for education. I think there is a case for looking into the whole question of the opportunities and chances of entrance into universities and higher education institutions.

Can I finally refer to point 14. I also think it is a great pity that the other motion for a resolution which was originally to be discussed with the two that we are discussing now somehow mysteriously disappeared from the agenda. I hope that it will be brought back again at an early stage at the next part-session I think we do need a serious and detailed debate on the whole question of the European Schools. I happen to believe that there is quite a lot wrong with the present method of organization of the European Schools. I would like to see methods investigated whereby teachers and parents can play a greater part in the organization. I am also not very happy with some of the curricula in the European Schools. We cannot debate this in detail here today as we have not got the motion for a resolution which some of us put down on the agenda. But can I make this plea that we do have, at our next part-session a detailed debate on European Schools. We do not want the thing put off for month after month. It has already been put off for three months. We do not want it put off any longer. I



**Mitchell**

think it is becoming now more and more urgent that we should discuss this at an early stage.

*(Applause)*

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — *(D)* It has been correctly stated in this debate that the resolution of the Education Ministers represents a good initial step. I should like to say that this would not have been possible without your work. I thank Mr Broeksz and the Committee too, now of course disbanded, for their work. It is also thanks to their efforts that in a particularly sensitive area, an area in which the powers of the Member States are involved, we have been able to achieve something practical, and practical we must be if we are to make progress in the educational field in the Community.

We cannot talk in abstract terms about the work of the Community. We cannot, for example, act as if there were a European Ministry of Education. There isn't one. Nor can we act as if there were no problems involved in the interrelationships which have been established in the Community and which bear a particularly European stamp in the educational field. This does not imply complete standardization; it does not imply lumping everything together. It means that we shall have the necessary respect for the diversity of educational systems and the cultural traditions in Europe, but that we shall do what is necessary to ensure that as a concomitant to the existence of the Community, problems involved in these interrelationships are solved or made easier to solve.

What does this mean in practical terms? The situation in the educational field in Europe is such that we are constantly rethinking the system from one day to the next and deciding that we must introduce reforms. This is an area which is extremely sensitive to economic developments in Europe. The current situation in Europe is that we are beginning to emerge from a recession. At the lowest point of this recession there were 6 million unemployed in Europe. One third of these were young people under the age of 25. Can anyone imagine the European Community closing its eyes to this fact and saying: 'We are in favour of the free movement of goods, and the freedom of movement of workers in the Community. But when the situation on the labour market has reached such a pitch, it is up to the Member States to solve these problems in their own way. This has nothing to do with us. Every country must fend for itself.' No, we cannot act in this way. We must get together and produce some practical ideas. And this we have done. The Education Committee has now started work on the basis of the Ministers' decisions. We are consulting the experts, reports have been submitted to us from each of the Member States and we are now in the process of investigating what can be done to make it easier for young people to make this

transition from school to work. We shall encounter new problems in this area and we shall not be able to solve them all overnight.

We shall, however, discover that much of the investment we have made in recent years in buildings for further education and in university education, though necessary, possibly failed to take account of important aspects of education and training. We may come to the conclusion that much more must be done in the area of vocational training. Much more must be done to admit more apprentices to industry and to create training centres in enterprises. I believe that if the Member States hold an exchange of views on this subject and if we are able to achieve something in this area we shall be fulfilling our duty towards the citizens of Europe.

We may well come to still other conclusions. We may decide that too little has been done in the area of vocational guidance in the individual countries of the Community and at general Community level. Perhaps we shall then also achieve better results by organizing cooperation between schools, parents, vocational advisers, labour market experts and, last but not least, the pupils themselves.

I am not, however, saying that we should only produce short-term proposals or that we should attempt to deal with the present situation alone. We shall and must get used to the fact that this recession in the Community is not of a permanent nature. There are signs of renewed growth in the Community and in a few months or a year the European economy will have recovered to the extent that we shall be able to propose ways of improving its social infrastructure, of which education is also a part. We should therefore not allow ourselves to be distracted from these essential long-term projects by our short-term reaction to the current crisis. You must make your contribution to this. That is why we want to maintain close contacts with your Committee on Social Affairs, which now also deals with educational questions. It is an area in which we must cooperate and in which we must make progress.

This will again lead us to discuss a topic we have already debated here, namely the problem of the children of migrant workers.

It is a fact that in certain sectors of industrial society only 25% of these children go to school. These figures are real and terrifying. The European Community must concern itself with this problem. We cannot merely point out that this will cost money. Of course it will cost money. Nor is it an adequate response to say: all right, let us integrate them all. The problem is precisely that we are not integrating them but are integrating them only partially and are turning them into pariahs within the society in which they live, because most of these children do not attend school at all. We are not making all this up. These figures are irrefutable.

**Brunner**

In Northrhine Westphalia today 25 % of the children of migrant workers attend school. And this in a region in which great efforts are being made to improve the social infrastructure. This is why we say that we should get together to do what we can to provide these children with teachers, to create reception classes for them and to enable them, since they cannot be fully integrated, to maintain contact with their culture. I think this is something we shall have to discuss again and in great depth. There will be differences of opinion on this question in Parliament, and so there should be, since that is the only way to make any headway.

We are also willing to investigate what can be done to increase mobility. I do not believe, however, that the idea of 'mobility' should be taken as grounds for standardizing curricula. This is not what is involved. What is needed is that there should be exchanges of views, that we should benefit from each other's experience and get results. We cannot ignore the fact that in today's Europe there is more migration than there has ever been in its history. This migration has consequences for education. We must investigate these consequences and ensure that the problems are properly tackled. That is why we have said that we should exchange views in all areas. In the area of teacher training, in language teaching, for instance. Let us encourage exchanges of teachers. These are areas in which the European Community can act and show initiative. This does not mean that we want to set up a European Ministry of Education. Nor could we accept responsibility for such an institution. The means at our disposal are limited, but if we fail to do anything we are letting the people of Europe down and are neglecting our duty. It is therefore imperative that we discuss these issues further. I am pleased that Parliament is now showing interest in them because I believe that as representatives of the citizens of Europe you should devote particular attention to matters which have a bearing on people's everyday life. We shall try to keep you further informed. We shall act on the suggestions you have made today. We shall do this in every area. I am thinking in particular of the school career record which is to be introduced after discussion in the Council of Europe. We shall not cut ourselves off, but intend to cooperate with the other European Institutions.

A few days ago the Director-General of UNESCO, M'Bow, was in Brussels and we discussed possibilities of cooperation with him. We shall also be cooperating with the Council of Europe and with the Member States. We shall in particular be bringing these matters constantly to your attention and we promise you we shall keep you on your toes. We shall expect suggestions from you, and criticisms too, as this is the only way we can make progress in this vital area.

*(Applause)*

**President.** — I call Mr Burgbacher.

**Mr Burgbacher.** — *(D)* Mr President, ladies and gentlemen, I am speaking in a personal capacity and I should like to deal exclusively with the problem of unemployment among young people under 25 years of age.

I would suggest that this problem should be analysed very closely in the light of the current situation, where this has not yet been undertaken in full measure in the various countries of the Community. In other words, we should carry out investigations into the causes of this extremely unfortunate situation, for there is nothing without cause. There are causes for this situation too and we should ask ourselves whether and how far we ourselves are responsible for what has gone wrong, to what extent we have pursued a policy leading to youth unemployment and to what extent we have encouraged and supported other policies, such as those of the social partners, which are among the fundamental causes of this particular problem of youth unemployment. For example, what percentage of the young people now unemployed have completed their education? I know countries in which 40 % have not done so. What percentage of the young people currently unemployed have not had any education at all? That too is a very high percentage. And finally, what percentage of unemployed young people are interested in having or supplementing their education, possibly with public aid? In the countries I am familiar with this figure is terribly low. Why is this the case? Why did the social partners, both employers and unions, fail to do anything during the boom years to encourage young people to take up practical jobs, to bring their hourly rates of pay up to levels close to those of skilled workers?

What have been the consequences of this? One of the consequences during the recession has been that works councils have naturally tended to dismiss young people before laying off — where necessary — men with dependants. This is of course perfectly fair. Another consequence has been that the parents of young people have been urging their children to take up paid employment sooner instead of continuing their studies — in order to contribute to the family budget. A perfectly understandable point of view. However, it is our duty — and a duty of the parents too inasmuch as they are responsible for their children's education — to give priority to education, since this is the only sure asset in these times of inflation, since one's own knowledge and skill cannot be eroded by inflation and are of life-long value. Many a young fellow may have asked himself: what is the quickest way to get myself a nice noisy motor bike? I can quite understand the pleasure that young people get out of this sport. It did not exist in my day, otherwise I might have gone in for it myself. But to tempt young people to curtail their education in order to acquire material possessions more quickly is a legal-

**Burgbacher**

ized scandal. And when parents are tempted to regard young people as a source of income instead of human beings whom it is their duty to assist in acquiring education and training, this can only be called a 'disease' which, like real physicians, we cannot diagnose from symptoms or at least not from them alone, but by trying to discover and remedy the causes. It is often maintained that the problem can be solved by merely giving them more money. Nothing could be further from the truth. The problem may then become more acute, as it has done today, whenever there is a recession.

I appeal therefore to all concerned to produce figures to show what the causes of youth unemployment are, and who these unemployed young people are. In this connection it should be investigated whether the difference between income from employment and unearned income is so small that it can be made up with five hours of illicit work, in other words whether that is our policy too and whether this also contributes to the problem. That is why I say that we must have figures! Mr Brunner has told us that 25 % of the children of migrant workers do not attend school. Let me make a comment in connection with this point. Some years ago at an election meeting, I asked, for quite other motives, what percentage of our children would attend school if it were not compulsory. I leave the answer to your imagination. Suffice it to say that not all of them would. And we should therefore ask ourselves whether it is not our duty to urge all those responsible for education to provide those who are in their charge with the life-long asset for education and training and thus ensure that they are not the first to find themselves out of a job in the event of a recession, however slight.

**President.** — I call Mrs Kellett-Bowman.

**Mrs Kellett-Bowman.** — It would save the time of the House if I were to point out that, having heard your eminently sensible comments on paragraph 12 of the resolution and my proposed amendment to it, I have in fact withdrawn it. I am standing of course by the other amendment.

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

We shall now consider the motion for a resolution. I put paragraphs 1 to 8 to the vote.

Paragraphs 1 to 8 are adopted.

On paragraph 9, I have Amendment No 1, tabled by Mrs Kellett-Bowman on behalf of the European Conservative Group:

At the end of this paragraph, add the following text: '... , but that decisions on curricula should be left in the hands of those already responsible in the various Member States;'

I call Mrs Kellett-Bowman.

**Mrs Kellett-Bowman.** — Mr President, I move this amendment formally, it is quite self-evident what it means and we do feel very strongly that in fact it is advisable to leave these matters in the hands of the persons in the national states.

**President.** — I call Mr Broeks.

**Mr Broeks.** — *(NL)* Mr President, Mrs Kellett-Bowman says that the meaning of her amendment is self-evident and I fully agree with her. It is so self-evident as to be superfluous since paragraph 9 expresses the wish for an examination of the system and I should not like to create the impression that the fact that an examination is requested means that a decision will be taken. I do not even know who would take such a decision. I think it would be completely wrong to give the impression that a decision would immediately be taken if such a study were carried out. I should therefore like to say that I agree with what this amendment says, but feel that it is out of place and completely superfluous in this context.

Apart from this, I am amazed that if such an amendment is considered necessary at all, it is not proposed with respect to paragraph 5, which states that a Community education policy should ultimately be created within the framework of the European Community, since it is self-evident that such a Community policy could consist either of regulations, i.e. compulsory rules, or else of directives which the individual countries could adapt to with their national legislations.

There is no question of decisions of the kind Mrs Kellett-Bowman fears and it is always difficult to express an opinion on a superfluous amendment. I find it superfluous, but not dangerous. Therefore it makes no difference whatsoever to me whether it is adopted or rejected. I find it superfluous and shall abstain.

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

Amendment No 1 is adopted.

I put paragraph 9, as amended, to the vote.

Paragraph 9, as amended, is adopted.

On paragraphs 10 to 16, I have no amendments since amendment No 2, deleting paragraph 12, has been withdrawn.

I put these texts to the vote.

Paragraphs 10 to 16 are adopted.

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

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

<sup>1</sup> OJ C 100 of 3. 5. 76.

9. *Oral question with debate: Environment Programme of the European Communities*

**President.** — The next item on the agenda is the oral question with debate put by Mr A. Bertrand, Mr Jahn, Mr Härzschel, Mr Klepsch, Mr Lücker, Mr Memmel and Mr Schwörer on behalf of the Christian-Democratic Group to the Council on Council implementation of the European Communities' environment programme of 22 November 1973 (Doc. 30/76):

Commission statements suggest that Council decisions on Commission proposals for implementing the Programme of Action of the European Communities on the Environment of 22 November 1973 are liable to be further delayed since the experts called by the Council are now to meet only twice a month instead of four times.

In view of this disturbing development, the Council is asked to answer the following questions:

1. Why has the work of the Council experts been cut back although the Council would seem to have every reason to take its decisions on the environment speedily, since they are already overdue?
2. Does the Council recognize the urgent need to accelerate implementation of a Community environment policy, irrespective of the willingness of 'government experts' to deliver their opinions at least as fast as hitherto?
3. Is the Council now prepared to answer the question of principle repeatedly put by the European Parliament, as to why it continues to insist on calling in experts, although the Commission has already consulted experts — often the same ones — before finalizing its proposals? Is this attitude of the Council to be interpreted as lack of confidence in the competence and sense of responsibility of the Commission?
4. Can the Council state what timetable it has laid down for its decisions in the first half of 1976 on the individual Commission proposals, some of which have been before it for some time now, and to what extent its decisions will be delayed by the slowdown in the work of the Council experts?

I call Mr Früh.

**Mr Früh.** — (D) Ladies and gentlemen, let me make a few brief remarks on the Christian-Democratic Group's question to the Council about the implementation of the Environment Programme of the European Communities.

At the beginning of 1976, vice-President Scarascia Mugnozza surprised the Committee on the Environment with the bad news that the Council's experts on environmental questions would in future meet only twice a month instead of four times a month, as

before. It was not quite clear whether this was supposed to save money or whether it reflected a waning interest in all these questions. If it was to save money, our Group feels that this is certainly not the right way to achieve progress in the important questions of environmental protection. The relatively modest fees and expenses for the experts can probably not save the programme, and should certainly not be a reason for delaying it.

The Council should therefore appreciate that the delays which are becoming apparent are causing us great concern. May I remind you that the Programme of Action of the European Communities on the Environment of 22 November 1973 covered the years 1974 and 1975, and if there is now this delay, there is no possibility at all of its being implemented.

We know that this programme has been tacitly extended for one year and that, if these measures are not now to be implemented, we shall be falling behind.

What is much worse is that the second programme covering the years 1977 to 1981 cannot even be started on time, far less completed.

Under these circumstances it is obvious that the European Parliament cannot accept any further delay in the initial programme. In connection with transport policy, the Council has this week already been called upon once to finally approve the proposals which have already been approved by Parliament and have been with the Council for a long time now. Let me, as an example, list only a few of the draft directives which are still lying around in the Council's drawers although they have long since been approved by this House. Firstly, there is the water pollution by cellulose factories in the Member States. From my own experience I know how difficult this problem is. In my own constituency a cellulose factory was forced by extremely strict regulations — it was threatened with closure — to dismiss 600 employees, and this in the present economic situation. It was forced to do this, and after considerable efforts it was possible to find a technical solution to this problem in connection with the protection of the waters of Lake Constance, so I fail to understand why these questions should be put off when one Member State already has practical experience of them. Other directives still to be approved concern the collection of waste oil and the composition of gasoline and the technical security measures for the construction and operation of oil pipelines. Here again, I could quote you some practical examples from my own part of Germany, showing how important such matters are — there is an oil pipeline, for instance, which goes past Lake Constance, the main reservoir for the capital of our *Land*. Why does the Council not finally try to make practical use of the experience of one Member State?

**Früh**

There are lots of other proposals still pending. I think you will agree with me that it would not be so tragic if, for instance, a proposal on the noise level at ear height of drivers of wheeled agricultural and forestry tractors were not immediately implemented. We would not even press the Council to do so. As a matter of fact, we should try to reach agreement some time on whether we should actually discuss such minor points in Parliament, or whether this could not be done faster by the experts without the paper mountain getting steadily higher. On the other hand, there must be no delay on the proposal on the grading, packaging and labelling of insecticides.

All the proposals I have mentioned have been with the Council for more than nine months — some of them for several years. This means that, in these cases, it has not honoured its commitment to decide on Commission proposals within nine months. As with transport questions earlier this week, this again raises the question of whether legal action should be taken to force the council to take a decision.

In view of the hour, I shall be brief and would ask you, in the light of this sad state of affairs, to give us some satisfaction in at least one matter which we feel is being continually delayed. I refer to the fact that, in both Parliament and the Commission, experts are consulted on all these questions before any decisions are taken.

It almost appears as if the Council greatly mistrusts experts, since I have been told that experts are consulted before the Council's decisions and again during the discussions — probably different experts with different opinions — and you know how difficult it often is to reach any conclusions with experts.

We have a rather snide saying in our country. There are those who maintain that the expert's opinion is often fixed as soon as the expert is chosen. I hope that this does not become the normal view at European level as well, since there the opportunities to play off one expert against the other — among other things, for national motives — would be considerably greater, and certainly much greater than would be good for this common European environmental policy.

Finally, we should like to know what timetable the Council has drawn up for the outstanding decisions — not only in the first half of the year, but in the second half as well.

In conclusion, two brief specific questions. What delays can be expected because of the planned slowing-down of the experts' work? Does the Council — and I think this is the crux of the matter — possess the political resolve to make up the leeway and to reach decisions more quickly than before in the interest of the state of the environment and of the health of the people of the Community?

You will appreciate that we would be grateful for a detailed answer to these questions — if possible, not just limited to the prepared reply. With that, I will close this introduction in view of the short time available.

*(Applause)*

**President.** — I call Mr Berchem.

**Mr Berchem, President-in-Office of the Council.** — *(F)* Mr President, ladies and gentlemen, here is the Council's reply. With regard to questions Nos 1 and 2, the Council reaffirms its intention of adopting within the stipulated time the various measures provided for in the Programme of Action of the European Communities on the Environment of 22 November 1973 and, in general, of protecting the environment and improving the quality of life. It has given further proof of this intention recently by the agreement reached on the draft Directive on the reduction of pollution caused by the discharge of certain dangerous substances into the aquatic environment of the Community. This instrument will be one of the most important environment measures adopted by the Council so far and will provide the Community with very progressive and effective rules to combat water pollution.

As regards the number of meetings of the Working Party responsible for the preparation of the Council's environment decisions, I can tell you that this Working Party intends to return to a schedule of more frequent meetings in the coming months, particularly once the European Parliament and the Economic and Social Committee have delivered the Opinions they are now considering and the Commission has submitted the new proposals it is preparing.

As regards question No 3, the Council does not consult experts before reaching a final decision on a Commission proposal, but normally entrusts the preparation of its proceedings to a Working Party composed of delegates with instructions from their respective governments. These are sometimes the same people who were consulted as experts by the Commission when it was preparing its proposals. When consulted by the Commission these experts do not commit their governments and the Commission retains a free hand in submitting its proposals. The Council's working methods do not, therefore, in any way imply lack of confidence in the competence and sense of responsibility of the Commission nor involve unnecessary consultation of experts.

With regard to question No 4, the Council has set itself the target, for the first half of 1976, of adopting or examining the following proposals:

— a proposal for a Directive on the quality of water for human consumption, submitted to the Council on 31 July 1975;

**Berchem**

- a proposal for a Directive on waste from the titanium dioxide industry, submitted to the Council on 18 July 1975;
- proposals for Directives on biological standards for lead and screening of the population for lead and on air quality standards for lead, submitted to the Council on 24 April 1975;
- a proposal for a Directive on the reduction of water pollution caused by wood pulp mills, submitted to the Council on 20 January 1975 and replaced by a new version on 5 September of the same year;
- a proposal for a Directive on the use of fuel oils with the aim of decreasing sulphurous emission, submitted to the Council on 30 December 1975;
- a proposal for a Directive on the dumping of waste at sea, submitted to the Council on 12 January 1976.

Consultation of the European Parliament and the Economic and Social Committee on the last two proposals has, in fact, not yet been completed.

(Applause)

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

**Mr Ellis.** — Mr President, the Christian-Democrats have put down a group of questions which refer to recent Commission press-leaks. Mr Früh did say that the news had been given by the Vice-President of the Commission; however that may be, it seems to me that the Commission are presumably seeking to avert blame for the alleged lack of progress on the environmental front and have let it be known that the Council experts are now meeting only twice a month instead of four times. Therefore, the Christian-Democrats have asked, essentially, whether the Council recognize a need to accelerate implementation of a common policy.

The first point to make, Mr President, is that it would not be fair to say that no progress has been made or even that only slow progress has been made in implementing the action programme. One set of lead standards has already been adopted, it appears that a *modus vivendi* has been reached on the bathing-water and the wood-pulp pollution directives. Already there are regulations in force on the lead content in food. Proposals on paints and ceramics are nearly ready to go to the Council, and other draft instruments and toys and on enamel are being developed.

In addition to the adoption of legislation, the Community has begun and expanded a programme of environmental research in the fields of both direct and indirect action. As for the urban environment, other proposals are coming forward, as we have heard, on reducing sulphurous emissions from fuel oils and on sulphur-dioxide levels in urban atmospheres. Finally, the regulations on the European Foundation for the improvement of living and working conditions have

been agreed, and I understand this is to be set up in Dublin this year. In passing, it would be interesting to hear how far precisely the project has got off the ground and whether the ultimate responsibility rests with the Council or with the Commission.

Progress, then has been achieved. I suppose one can say that in general the Council has been most effective in dealing with toxic rather than merely undesirable hazards. But a number of good reasons exist why more has not been done, and, for that matter, why it should not to be done. The first is very simple.

The Treaty of Rome has nothing to do with the environment. It was not a preoccupation of its authors, and if you add up the number of people occupied with the environment it is surprising that as many proposals as are being debated have come forward in the first place. The environment has only been a subject of Community concern since 1970, when the Heads of Government decided to introduce the idea into what is basically a free-trade treaty — the Treaty of Rome. Hence the necessity of justifying all proposals that come forward on environmental subjects with a preamble claiming that they are to eliminate distortions in trade. I yield to no one in my desire to build up the European Community into something much more than simply a free-trade area; but I am very worried that sometimes, with all the goodwill that is evident in the Commission, I might not be acting in the best interests of that long-term process of building up the Community into a Community. We sometimes debate in this Chamber whether we should take the Council to court on some decision or other that the Council has failed to take, and I have often wondered on what issue precisely we would take them to court. I understand that the Court of Justice this morning has given a ruling on the issue whether or not women are to have their salaries pre-dated to a certain date. I understand that the Court has, in the end, bowed to the inevitable; that is to say, it has acted essentially from common sense, and I understand that the ruling has been, if I might put it that way, against the lady in question. This in itself does not, as I see it, usurp the authority of that supreme court, as it were, any more than the American Supreme Court's authority has been usurped on similar kinds of decisions where the sheer facts of life have meant that the court has to act pragmatically, in accordance with the demands of common sense. Well now, if I were to take someone to court on, let us say, axle-weights, which are trivial in the light of the historical, long-term desire to build up a Community, that would be the kind of project which is highly emotive and on which it might well be that the Court found itself in great difficulty in giving a considered legal judgment because of these tremendous emotive pressures. To take the Council to court on the issue of direct elections, which is a much profounder issue, might enable the Court to give its decision more properly.

The Commission is making all kinds of proposals which, it seems to me are militating against the long-

Ellis

term development of the Community. Once the proposals have been made, it is not hard to see why progress sometimes appears to be slow. For the underlying assumption behind the majority of these proposals is the theory of harmonization. Having harmonization as the legal basis for its activities in other fields, the Commission, in my view, mistakenly applies the same all-purpose basis for action to a field where harmonization is not merely sometimes not quite appropriate but indeed is even inappropriate.

I shall be very brief, Mr President. It is such a profoundly important issue that I want to try and get across the need for a philosophical re-thinking of what the Commission is doing from the point of view of building up a Europe. While it might appear to be comparatively trivial whether they decide to harmonize laws on the lead content of ceramics, in the end it seems to me that they might very well be making a profound mistake to the detriment of the Community. Well I have a lot more I would like to say, but I bow to you, Mr President. At least I hope that I have planted a few, if I may put it this way, seminal thoughts in the minds of the Commission.

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

**Mrs Edele Kruchow.** — (DK) Mr President, the Liberal and Allies Group fully supports the question tabled by the Christian-Democratic Group about the more rapid and more effective implementation of the environmental programme. I now understand from the Council that things are going to start moving faster, and we welcome this. Instead of going into details, I shall therefore simply emphasize that environmental questions are of extreme importance simply because they cannot be solved by the individual countries alone. The fact is that polluted rivers and dirty air from major industrial regions have no respect for national frontiers. Effective common solutions will thus make the people aware of the importance of the Communities, and this is something we really do need, especially when the problems involved are so great and so difficult.

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

**Mr Nyborg.** — (DK) Mr President, our Group feels that it is important to make considerable efforts on all fronts in the field of protection of the environment. I must say, in this connection, how regrettable it is that one, sometimes — too often perhaps — has the impression that the Commission lacks the necessary enthusiasm for the protection of the environment. I do not know whether this is because the Commission can be said to be sitting in a sheltered glasshouse in Brussels and is out of touch on environmental matters, or whether — if I may put it this way — it reflects a misconceived sense of realism with regard to the Council's acceptance of proposals from the Commission. At any rate, I do not feel the Commis-

sion is doing enough, and we must ask it to be more progressive in future in the protection of the environment, in accordance with the lines of the European Parliament's environmental policy, so that the consumers and the environment reap the full benefit.

One of the major problems we are currently facing is the pollution of the sea. There is one thing I should like to draw attention to in this context. It is essential to improve the protection of the marine environment, and we must therefore prevent the discharge of toxic waste water either directly into the sea or through the rivers. We must also work towards a strict limitation of the dumping of similar dangerous substances at sea. We feel that these two factors may play a major part in the reduction in stocks of certain species of fish and that, in this way, they represent pollution of the sea. I know, for instance, that fish caught in the Baltic have been found to contain dangerous levels of mercury.

Another field in which strenuous efforts must be made to protect the environment is the cleansing of air polluted by industrial heating systems and combustion motors. I hope the Commission will very soon put forward proposals to harmonize the methods and instruments for pollution measurement, so that moves can be taken against industries which emit dust, sulphur oxides, hydrocarbons, solvents, fluorine and heavy metals.

There are naturally economic factors to be taken into account when implementing measures to protect the environment, but it must be stressed that this is one of the most vital fields, and the Community must give very high priority to the protection and improvement of the environment, so that we can create a society which is fit for the people of Europe to live in.

The effects of air and sea pollution know no national frontiers, since pollution caused in one country can easily spread to other countries. This makes it all the more necessary for us to cooperate in combating our pollution, and we must coordinate our efforts in this sector at Community level. I am thinking particularly of cooperation with such bodies as the United Nations, the OECD and the Council of Europe, which are working very actively on environmental problems. All countries — particularly the industrialized countries in concert — must draw up standards which are strict enough to be valuable in our fight against pollution.

**President.** — I call Mr Noè.

**Mr Noè.** — (I) Mr President, I asked to speak only in order to ask the President of the Council something which came to my mind after listening to his reply to the question and the speech by Mr Ellis, whose remarks I thought were very much to the point. My question is as follows: when does the Council think it will be able to submit to Parliament an overall strategy in this sector, and does it at least intend to draw up such a strategy?

Noè

The President of the Council listed a number of moves being prepared, but we already know about these, since they have been studied by this House. However, we cannot say whether we are satisfied or not with these moves, nor can we assess the importance and the aptness of what is being done, unless an overall strategy is drawn up. This is still lacking — perhaps because of the complexity of the problem — but it is absolutely essential that it should be formulated.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, we are very glad that the President of the Council has stated that more meetings will be held to discuss these problems in future.

This is essential not only because of all the practical points which you have raised, but also because the Commission has recently submitted specific proposals on two further points — the sulphur dioxide content in the air and suspended particles in conurbations. Furthermore — and this may allay the concern which some of you expressed — the Commission has also put forward a wide-ranging programme, an action programme on environmental protection for the years 1977 to 1981. From our point of view I think it is particularly satisfying that the Council's Working Party will be meeting more frequently, so that progress can be achieved in these matters. At any rate, we thank you for your suggestions.

(Applause)

**President.** — This item is closed.

10. *Oral questions with debate: Conference on the Law of the Sea*

**President.** — The next item is a joint debate on the oral questions with debate put by Mr Gibbons on behalf of the Group of European Progressive Democrats to the Council:

Subject: Commission Communication on the Law of the Sea Conference

Having regard to the reconvening of the Law of the Sea Conference on March 15 in New York and the recent Commission Communication on a Community approach to the Conference, which did not allow the European Parliament sufficient time to give its Opinion before the Conference began, will the Council state:

1. if agreement has been reached between the Member States on a common approach to the Conference on the Law of the Sea;
2. whether it considers that the 12 miles limit should be rigidly applied in all Member States or whether it would favour greater limits having regard to regional and social aspects of the disadvantaged coastal regions in the Community;
3. on what criteria fishing quotas within the 200 miles economic zone will be allocated;
4. if it is in favour of immediately negotiating the withdrawal of third countries fishing fleets from the Community's 200 miles economic zone;

5. if it is in favour of comprehensive measures on a Community fishing research programme in the immediate future?

(Doc 31/76)

and to the Commission:

Subject: Commission Communication on the Law of the Sea Conference

Having regard to the reconvening of the Law of the Sea Conference on March 15 in New York and the recent Commission Communication on a Community approach to the Conference, which will not allow the European Parliament sufficient time to give its Opinion before the Conference begins, will the Commission state:

1. if agreement has been reached between the Member States on a common approach to the Conference on the Law of the Sea;
2. whether it proposes the 12 miles limit to be rigidly applied in all Member States or whether it will allow greater limits having regard to regional and social aspects of the disadvantaged coastal regions in the Community;
3. on what criteria fishing quotas within the 200 miles economic zone will be allocated;
4. if it proposes to immediately negotiate the withdrawal of third countries fishing fleets from the Community's 200 miles economic zone;
5. if it proposes to put forward comprehensive measures on a Community fishing research programme in the immediate future?

(Doc. 26/76)

I call Mr Gibbons.

**Mr Gibbons.** — Mr President, my questions are concerned with the recent Commission communication, and more specifically with problems facing the fishing industry in the light of the introduction of the 200-mile economic zone concept. Besides this new element, the fishing industry has a number of serious problems. There is over-capacity of fishing vessels in many regions, there is over-fishing in practically all regions, and Community fishermen are being forced out of Icelandic and Norwegian waters. Fish prices have been low in recent years and fishermen's costs have been soaring. Fishermen are now turning to the Community and to national governments for assistance. Many of them see in the creation of the economic zone an opportunity to reserve fishing rights for the exclusive use of coastal fishermen. Other fishermen who are used to fishing in the coastal waters of other states dread the prospect. The situation is confusing and calls for swift and realistic solutions. It is made even more confusing by the existence of a common fisheries policy which was rushed through the Council before the accession of the new Member States. Developments since then make a new approach an absolute necessity in Community policy. There is no longer enough fish in the sea for everybody. The governments must bear responsibility



**Gibbons**

for not imposing any realistic controls and the fishermen themselves come in for some blame for not exercising any restraint.

The situation has become very apparent around the Irish coast in recent years. It is now a very common sight to see big ocean-going trawlers flying foreign flags fishing close to the Irish coast without any regard for the agreements which reserve Irish coastal waters for Irish fishermen. They use very large nets with a very small mesh and catch all fish of all sizes and descriptions regardless of size. It is obvious that they have stripped their own coastal waters and that they are now plundering the waters around our coasts and there is a total disregard for the concept of conservation in fishery. Under these circumstances it is easy to understand why the Irish fishermen have rejected out of hand the Commission's proposal for a 12-mile exclusive fishing zone for coastal states. Their demand for a 50-mile exclusive fishing zone, a demand which I earnestly support, is justified on several grounds, not only by their interest in maintaining the fish stock in Irish waters. Ireland is the only Member State in the Community that has any potential for expanding the fishing industry. This can clearly be seen from the one simple statistic that Irish fishing boats catch a mere 10% of the total catch around Irish coasts. Because of our regional underdevelopment, particularly along the west coast of Ireland, expansion of our fishing industry is one of the few means, in fact I believe it to be the only means, of creating employment and halting emigration. But to do this we need a guaranteed supply of raw materials in the form of fish. If our waters are to be fished out by the reckless behaviour of foreign trawlers then there can be no future for the much-needed jobs in our fishing ports along the west coast. Many of the foreign trawlers poaching fish along the Irish coast fly the flags of our partners in the EEC Community. Our differences with them can be resolved within the Community procedures.

More serious problems arise from the presence of Eastern European and Russian fishing ships. In the context of this debate we are discussing the effects of the 200-mile economic zone on the Community's fishing industry. At a time when fish stocks are dwindling, we have to consider the future position of fishing boats from third countries in what can broadly be termed the Community's 200-mile economic zone: To my mind there is no future for third country fishing vessels in the Community's 200-mile economic zone and it will be necessary obviously to use negotiation in order to see that the exploitation of Community fisheries by third country vessels of the kind that I have mentioned would cease. In conclusion, Mr President, I want to stress the need for strict control over the reckless fishing that is now taking place. If the Community and the Member States do not take swift action to manage our dwindling stocks of fish, we ourselves will be the sufferers, first of all our fishermen and their families, and thereafter the very species itself will be in danger.

**President.** — I call Mr Berchem.

**Mr Berchem, President in Office of the Council.** — (F) Mr President, ladies and gentlemen, the answer to Mr Gibbons' question is as follows: the Council has not yet defined its position in relation to the various issues raised by the Commission communication to which the Honourable Member refers. At its recent meetings, including that held the day before yesterday, it heard statements by several of its members on certain aspects of the problems.

The preparatory work to be carried out by the Permanent Representatives' Committee should shortly enable it to hold a new general discussion on the communication as a whole. Furthermore, the Heads of the delegations of the Member States to the Conference on the Law of the Sea are continuing in New York the work of coordination they began several months ago.

(Applause)

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** (D) Mr President, we are at present involved in difficult negotiations in New York. I should like to say a few words about how we intend to tackle this work. Firstly, we want to present a united front at the negotiations and to conduct them in such a way that the Community as a whole can support the agreement which finally emerges. In order to achieve this the Council and the Commission are maintaining close contact with the nine Member States in New York. The problem under discussion is of great importance for the future of the Community, for Community fishermen and the Community fishing industry.

We are in a situation in which world stocks of fish are steadily declining and if we do nothing to improve these stocks, important branches of trade and industry in the Member States will be faced with ruin. This must not happen. We have therefore prepared a comprehensive research programme which we wish to get under way. The aims of this research should be: firstly, to ascertain what stocks of fish there are in Community waters, and in such Community waters as may exist in the future; secondly, to see what we can do to preserve those stocks; and thirdly, to investigate methods of increasing stocks. In this connection, we wish to set up a scientific and technical committee to advise us.

We have however no information as yet on the New York negotiations. We are faced with a serious difficulty: frankly, it is quite likely that a 200-mile zone will be introduced. What would a 200-mile zone mean for the Community? The answer is that we should lose by it. What should be our reaction? If it is in fact introduced, we must regard it as a community loss. By that I mean that we must show solidarity in order to prevent the full weight of the loss being sustained by countries with a larger fishing industry

**Brunner**

than others and which would therefore be much harder hit.

Our basic attitude in connection with the negotiations should be that, if a 200-mile zone is introduced, we should make internal Community adjustments to cope with it. What form should those adjustments take? We must establish quotas. We would take the traditional catches and traditional fishing methods as a starting point and use them as a basis for adjustments within the Community. How could we facilitate those adjustments? We could do so by establishing a small reserve of 5% to allow for some flexibility in the adjustments.

What else must we do to protect the special interests of coastal shipping? Speaking as a Community, we have said: let us extend to all Member States the provisional arrangement set out in the Treaty of Accession with Denmark, the United Kingdom and Ireland which provides for a twelve-mile zone. We know that this raises certain problems.

There is however no feasible arrangement other than this, which you may consider to be a radical change, but which is based on a special arrangement devised for those three Member States and which would make an acceptable settlement possible. Any other solution would merely create further problems within the Community, would be detrimental to the fishing industry which has a special interest in a settlement and would reduce the degree of solidarity which we must show in these negotiations. This is therefore the line of our argument at the negotiations in New York.

We are still trying to devise the Community formula, mentioned in my introductory remarks, on which the Community as a whole would agree. We have not yet found it but we do have a basis for a common position. In these negotiations let us, as a Community, avoid the pitfalls of concerning ourselves each with his own special interest or failing to combine to take necessary action and in this way let us demonstrate that cohesion which justifies the name of the 'European Community'.

*(Applause)*

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

**Mr Prescott.** — Mr President, I think the problems of the fishing industry are many, quite apart from those associated with the Law of the Sea and many debates have taken place in this Chamber concerning the economic problems connected with rising costs, reference prices, the present state of the fishing policy in the Community, which is certainly not doing a great deal to help the fishing industries in our countries.

But this evening we are dealing with the Law of the Sea Conference and clearly there are some very important principles to be determined here and on reading the Commission's documents one can see the arguments for a common approach to the negotiations of

the Law of the Sea Conference. The real issue facing all nations is how to conserve the fish upon which our fishing industry depends. The industry itself creates a great deal of employment, not only directly for the fishermen themselves who catch the fish but for the industries that process it and the many industries that service this very important industry. The Law of the Sea Conference in its approach to the problem of fish conservation, has adopted the general principle that the best way of controlling fishing is through the coastal state. The coastal state itself can then determine how to conserve fish, avoiding the use of quotas, which have failed in the past to conserve fish. The quotas have either been too high or various industries and various countries' trawlers have failed to observe them. And, therefore, we are left with an ever declining fish population — an important protein source — and with problems for the industry itself. The Law of the Sea Conference clearly believes in the idea that the coastal state should attempt within the economic zones, be it 200 miles, to control the depletion of our fish resources. If quotas have failed at the international level, and nations working together have not been able to prevent the decline in fish population by the simple application of quotas, one has to ask the question, if there is such a concept as Community waters and the Community itself were to attempt to control the conservation of stocks by quotas, whether it would work any better for us than it has on the international scene? The problem is whether there are other countries fishing within those waters. Clearly Russia fishes within the waters of the Community nations as do many other nations and therefore it is not so easy to arrive at a common conclusion. But I think what is clear is that the idea of free accessibility of vessels, whether of Community nations or non-Community nations, is not sufficient, and, therefore, the Treaty is inadequate by definition and we will have to change the Treaty — that's one very obvious point we have to bear in mind.

The second point is that of the exclusive zone. If the Commission is saying — and I have sympathy with the argument — that the 12-mile area, which is almost synonymous with the territorial area, is to be known as the economic zone, then one has to ask whether the economic zone is intended to mean that each nation within the Community can fish and take from those waters alone sufficient fish to sustain its fishing industry. The question then arises as to how much fish is in those areas and how much fish is required in each state to sustain the level of economic activity in that industry. In Britain the industry requires at least 1 000 000 tons of fish. That is not available in the 12-mile area. But if the principle is that we should have an economic zone sufficient to meet that demand of 1 000 000 tons, then we are faced with a question of negotiation. The question is whether the zone is to be 50 miles, 100 miles or 200 miles. Therefore, the Socialist Group feels that we should put great emphasis on the argument of the

**Prescott**

socio-economic factors, which the Commission have recognized in this document, as a means of determining the size of the economic zones that we will have within Community waters. I think clearly they have to be more than 12 miles, whatever nation we are considering. I feel an economic zone has to be at least 50 miles from that view point. The regional consequences for our fishing industry cannot be compensated either by paying trawlers to leave the industry or bringing in other manufacturing industries.

Time does not allow me, unfortunately, to develop all the points except to say that the argument of historical rights is one that will cause conflict within the Community as it has between Britain and Iceland. And I hope the new Prime Minister in Britain, Mr Callaghan, will now get together with Iceland to conclude a proper negotiated deal between the two countries and I hope he will concentrate his mind on that.

There is sufficient fish in our waters; the Community together only takes 4.7 million tons of fish out of a possible total of 6 million. The question is how we renegotiate the fishing areas between the nations within the Community waters. I was going to point out some of the difficulties in this but there is not time. I feel that it is clear that we can agree there should be 200-mile limits, but within that 200-mile limit other countries will place great penalties on some of our countries who, like Britain, rely on fish from those areas. Therefore, we cannot accept free accessibility to waters, because of the socio-economic factors.

We may also have to consider the different types of fish. Indeed we take a lot of fish out for industrial consumption. When half the world is starving because of lack of protein, Europe is feeding its cattle on fish. Quite frankly that is deplorable and we must find other ways to readjust that particular sector. And so in the negotiations we have to consider that aspect.

Certainly there has to be a combination of exclusive areas and quotas within the Community areas and finally, may I say to the Commissioner that if they cannot agree to 200 miles at the Law of the Sea Conference, Europe, or nations individually or multilaterally, must declare the 200-mile limit for themselves.

*(Applause)*

**Mr Nyborg.** — *(DK)* Mr President, it is perhaps more accurate to say that I am speaking on behalf of a section of the Group of European Progressive Democrats.

Since the Community's fishery policy is in the melting pot for the time being, we should take the opportunity of debating fishery problems as comprehensively as possible and thus have a basis for establishing a common policy. This opportunity is one of

the advantages of the situation. An examination of the fishery policy of the European Community reveals certain problems we must try to clarify as best we can.

One of the more noteworthy features of the situation is the uncertainty of the 'marine biology data'. Many marine biology experts have made pessimistic forecasts about stocks of fish in the immediate future, arguing that the present over-fishing would result in the extermination of certain species. On the other hand, a Canadian professor has recently stated that there are enough fish in the sea even if present catches were doubled. The number of fish depends on the amount of plankton in the water, and the more fish one takes from the water the more room and the more food there is for other fish.

Centuries ago, when fishing was on a much more modest scale than today, there was no scarcity of sea water. The shoals of fish were not packed so tight that one could walk on them. Nature itself ensured a certain equilibrium.

Many of those who are generally the most hard-pressed, that is the fishermen, will often argue that there is plenty of fish, but that the problem can be — and indeed already is — that prices fall when there is a glut and that it can therefore be desirable to limit the size of the catch. It has often been stated that some of the problems could be solved by denying third countries the right to land and sell catches inside the European area, which would thus be reserved for European fishermen.

In addition, a regulator could be introduced, based on current prices for fish, and if prices fell below that level fishing could be temporarily suspended.

I should like to point out that the situation at present is such that many shipowners, owners of large fishing vessels, have difficulty in balancing their books because repayments and interest charges on invested capital are so heavy that the margin of profit is very low and in some cases there is a loss. Perhaps we should recommend that efforts be made to keep the existing fleet and that any new ships should preferably be of smaller size.

The point must be made that quota systems as such are a bad thing and should be limited as far as possible. In my view we should try to ensure the greatest possible freedom for Community fishermen to fish inside the Community's overall 200-mile exclusive zone, excluding the national sovereign waters of the 12-mile coastal zone. However, in view of the current situation, we are obliged to introduce or to maintain such quotas temporarily while we await the decision of the Court of Justice as to who is competent to negotiate on behalf of the European Communities. Joint decision-making and action by the European Communities is therefore desirable from every point of view, quite apart from the consideration that unity is strength.

**Nyborg**

With reference to the establishment of national coastal fishing limits, the Commission's suggestion of a twelve-mile limit in conjunction with a 200-mile exclusive zone should be adopted. The request by some individual Member States for a national coastal fishing zone of 50 or 100 nautical miles seems unrealistic since it would no longer be coastal fishing. Fishing at a distance of more than 12 miles from the coast is deep-sea fishing. It should be stated in this connection that a 212-mile zone should be considered a maximum and that a coastal state has unlimited rights over such waters and can lay down appropriate rules for fishing in that area.

A totally different problem is the formulation of rules forbidding unsuitable fishing methods since we must prevent the destruction of spawning and breeding grounds. We should therefore try to pass regulations for the protection of spawning and breeding grounds at certain times of the year. Such regulations should be strictly observed so that fish stocks may be maintained and their growth ensured.

I would say in conclusion, Mr President, that another serious problem is that of fishermen from third countries with whom we have no agreements and against whom we must take action to exclude from waters on which we in the Community depend for our livelihood.

*(Applause)*

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

**Mr Scott-Hopkins.** — Mr President, there is no doubt about the problems and the difficulties which exist in the fishing industry: certainly the economic problems are well known to this House, and we have indeed debated them, so I will not go over the difficulties which we all know are there and the financial strain that many of the fishermen and the fishing companies are at this moment having to face.

This debate concerns the law of the sea and I must confess, Mr President, that I was rather disappointed by the statement of the representative from the Council. He really did not say very much. I did not expect him to say all that much, but he might at least have told us what response he is getting from the questionnaire that Mr Thorn has sent out to all the Member States regarding the Commission's proposals with a view to the adoption of a common approach in New York. He said nothing about that. Has he had any replies? If so, what are those replies? Could he perhaps — not in detail, of course, that would be breaking confidentiality — give us a rough idea of what they are — and I hope he will not take the advice of the gentleman beside him who is saying no, no, no.

*(Laughter)*

This House really would like to know what advice, if any, he is receiving from the other Member States. It is important for us to know that.

Let me turn now from the President-in-Office, whom I do not want to embarrass in any way whatever, to the reply of Commissioner Brunner. I thought he was a little more optimistic than the representative of the Council but once again there seemed to be some problem and not only of the nomenclature of what we are actually talking about.

Still, I agree with Mr Prescott. There is no difficulty in agreeing that the 200-mile limit is what we are going to arrive at at the end of the day. That is not a problem, as far as I can make out, for any of the countries taking part in the Law of the Sea Congress.

The problem comes after that, particularly as far as the EEC is concerned, and has to do with what is known as the European economic fishery zone. This lies outside the sovereign waters which are looked after by the coastal states, the 12 miles or whatever it may be, and the point which we do need cleared up either by Mr Brunner of the Commission, or indeed by the President-in-Office, is does it or does it not need a Treaty Amendment, involving ratification by the nine Member States before we can extend the limit from 12 miles to 25 or 50, or before we can put an end to traditional foreign rights in national sovereign waters.

This is an important issue and we must know about it. For what I hope will not happen in New York is that a common approach will be sabotaged by some one Member State — no matter which it is, my own or another — insisting on internal regulations suiting its own particular book before it is prepared to go along with general overall approach which I hope the Community will make. We all know what the problems are within the Community pond, if I may describe it as such. No figures have been given about the fish stocks, but it is well known, Mr President, that my country catches as much as all the other Community countries put together, and we consume as much as all the other Community countries put together. Therefore we have a particular interest in this matter.

The figures for the coastal waters around the United Kingdom — I have to take that example, as it is the only one for which I happen to have the figures — are very interesting, and I should like briefly to give them to the House. It has been estimated that the stocks of fish round the coastal zone of the United Kingdom up to a 12-mile limit are 1.1 million tons — I am quoting from figures given during a debate which took place in the House of Commons on Monday by the representative of the Conservative Party. If you take that out to 25 miles, the estimate is 1.9 million tons. If you go out to 50 miles it is 2.5 million and if you go out to 100 miles it is 2.8 million tons. So the House will readily see that it is up to the 50 mile limit that control is vitally important. Beyond that the increase is very marginal and very small, and I do not agree with Mr Nyborg who has just spoken for the EDP Group that it is important to give the fish-

### Scott-Hopkins

ermen of the Community the maximum amount of freedom. That is not so, with the greatest of respect. I do not say that a 25-mile or a 50-mile limit, as a sovereign right, is absolutely the right one, but what I am certain of is that 12 miles is not enough, certainly not for the United Kingdom, and I suspect for one or two other Member States as well. If, therefore, it proves to be necessary to modify the Treaty, which will involve a ratification process, in order to put an end to the historic areas which other countries are fishing within present sovereign coastal waters, let us then have a proper decision and extend coastal sovereignty by a reasonable amount, which in my view is probably 25 miles as a minimum.

This need not, surely, interfere with the decision which is going to be taken at the Law of the Sea Conference. I think it is important to get it clearly understood that that is necessary. Then again in the European economic zone, which extends beyond the sovereign waters either up to the 200-mile limit or up to the meridian line where there is not 400 miles between countries, it is essential that we should not base on historic rights as the Commissioner suggested with only a 5% reserve. This really will not do. We have got to take into account not only species of fish, which I am glad to see the Commissioner is doing in his new document. We have also got to take into account the actual per capita consumption level of fish, the consumption of fish protein within the Community. Account must also be taken, as the Commissioner himself said, of the loss which will be suffered if the Law of the Sea agrees to a 200-mile zone. Mr Prescott of the Socialist Group mentioned the loss that the United Kingdom will suffer by Iceland going out to their 200 miles. That must be taken into account by other Member States of the Community who will be equally affected in other areas when the 200 mile limit is agreed. It is, therefore, essential that this loss of fishing ability should be taken into account when the new quotas are being worked out and negotiated within the Community.

In conclusion, Mr President, I do hope the Commission will be able to come forward and to help the Council reach a unanimous position when they are negotiating, as they are now, in the New York Conference. I do hope that Member States will help the President-in-Office and will reply to his questionnaire so that a common position can be arrived at which will help both the Commission and the Council in making progress on our behalf and safeguarding the position of a very vital industry and of the many people who depend on it.

*(Applause)*

**President.** — I call Mr Spicer.

**Mr Spicer.** — Mr President, I am delighted to follow Mr Scott-Hopkins and to follow very much the same

line of thinking that he has been pursuing. Whether we have an interest in the deepsea or in the inshore fishing industry, we all accept that the time has come for a radical reappraisal of the fishing policy of the Community. The first step in that appraisal must be taken now, at the Law of the Sea Conference, when we shall all agree, I am quite certain, on the establishment of a 200-mile exclusive zone for the Community.

Over the last 30 years, capital investment in our industry has grown enormously and, hand in hand with this, we have seen a massive increase in the catch capacity of our fishing-fleets. These two changes have worked one upon the other and they constitute the main reasons for the present confusion and, certainly in the United Kingdom, for the despair which can be found on all sides of the fishing industry.

What has disappeared is sound fishing management and effective conservation policies. The time has undoubtedly come when the Community must take a lead by initiating a thoroughgoing review of its fishing policy. As I have already said, the first step in that review is now upon us we meet at the Law of the Sea Conference. That may be the easiest step of all, because it will be followed by the much more difficult question of exactly what national limits we should decide upon. We all know that the Commission has put forward proposals for a 12-mile national limit. If that is and remains the view of the Commission, then I must say here and now that very, very many people, certainly in the United Kingdom, will not see it as an acceptable solution. Certainly I know that the British fishing industry will not. It has already been said — and Mr Brunner made this point himself — that we should lose in the Community by the establishment of a 200-mile limit; that point has been emphasized by Mr Scott-Hopkins and by Mr Prescott.

Indeed, with the establishment of that limit, we in the United Kingdom would be the people who suffered most of all, and so I think due weight should be given to our views on this matter. We account, not just for 50 as Mr Scott-Hopkins said, but, to be more exact, for 56% of the fishing in the Community. Moreover most of the fish caught by our fishermen is for human consumption, and that is another point that should add additional weight to our views.

I have the great good fortune to live in the West Country, which really comprises Cornwall, Devonshire and Dorset. There people are very much concerned with the inshore aspect of this problem, and I know how strongly our local fishermen feel about the extension of their limits. Indeed only last week I was in Cornwall and was told that a very warm welcome would be extended to Commissioner Lardinois if he would care to meet us on our home ground. If Mr Brunner could pass that message on to him we should be delighted to see him in the West Country

**Spicer**

at some time in the very near future. Now I know that the Commissioner has no magic wand and that just by extending limits all our problems will not be resolved. Indeed, in the West Country, our problems stem as much from the intrusion of Scottish and Humberside trawlers as they do from Russian, French and Belgian ones, but — and it is a very big but — a big extension of our national limits would place our fishing problems squarely on our national plate for us to deal with. Let us be able to decide for ourselves on such vital matters as the conservation of stocks — in the West Country, that is largely a mackerel problem — the banning of industrial fishing in those areas where this is seriously depleting stocks, and above all the question of just what sort of fishing can be accepted in the light of problems that very often are purely regional. Naturally, all such decisions will require far more effective policing, and this again can and must be a national responsibility.

Mr President, the Commissioner knows, as we all do, that it is absolutely useless to tinker about with the existing common fisheries policy and to try and patch it up. Let us make a new start on a sensible and fair foundation, and so restore the confidence and hope for the future of our hard-pressed fishermen!

*(Applause)*

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Mr President, I rise to support Mr Gibbons, the last speaker, Mr Spicer, and also Mr Prescott. I do not think there is any point in my rehearsing their views over again, because I agree with what they said.

I would, however, like to say while I am glad to hear that the Council have not taken a final stand, and there is a little glimmer of hope there, I feel a little disappointed not to know more about what is happening at the Law of the Sea Conference: in the wind-up we could learn what stage, if any, we have reached at this moment. If we have not definite news of an agreement being reached, is there any hope of an agreement being reached? If so, when is it likely to come into operation? I thought I was going to get some of this information at the beginning, but I do not mind if I get it instead at the conclusion. What evidence do we have at the moment that the world's maritime states are intending, if they do not get an agreement by a certain time, to impose a unilateral coastal preference of 200 miles? At our part-session in January, I said that my information from the heads of the fishing industry I had met was that the Law of the Sea Conference was not expected to come to a definite conclusion at this session. I would like to hear the views of the Council and the Commissioner on that point. I was asked to put then and I put again the question whether, assuming that there is to be no effective agreement from this Conference in New

York, we could not enter into the type of negotiation suggested by the North Atlantic countries for the purpose of anticipating the Law of the Sea Conference if it cannot reach an agreement. My information is, as I said, that the United States, Canada and Norway have already indicated a willingness to enter on a firm pact for the North Sea — as we know, Iceland has already taken unilateral action in any event — so it seems to be the British Foreign Office that is dragging its feet here. Might we know the Commission's view on the question whether, assuming that the pessimism about the Law of the Sea Conference is justified by events, there is anything to stop the countries with an interest in the North Sea from getting together: what are the Commission's view and the Council's views on that point?

I would like to say this. I had a meeting yesterday with Mr Lardinois, and he agreed to meet any representatives of the fishing industry who wished to meet him either in Britain or in Brussels; but I do not feel that I was able to convey — perhaps my advocacy is not good enough — the depths of feeling felt in the fishing industry. They feel absolutely let down by the proposed 12 miles, and I think it may well come to a confrontation, because they feel so strongly about it. As Mr Gibbons said, the areas where the fishing is important are so often the areas which have no alternative employment and which would lose a way of life if they are not given a much greater coastal preference.

**President.** — I call Mr Kofoed.

**Mr Kofoed.** — *(DK)* Mr President, although this Oral Question deals mainly with fishery problems, by way of introduction I should like to point out that the outcome of this Law of the Sea Conference is a matter of considerable importance since it deals with the riches in the sea bed and with animal life above it. We must sincerely hope that the Law of the Sea Conference will end in agreement, as otherwise the result will be anarchy.

As already suggested in this debate, present developments are a result of the neo-colonialism which is now rife. In other words they reflect the blatant nationalism now characteristic of European and other countries. What is its object? In the past men conquered underdeveloped peoples and deprived them of their land. Now these men are being thrown out. Today they want to make themselves masters of the sea bed and the ocean's riches. Now that the developing countries can no longer be conquered, the European family is engaged in internecine warfare.

I listened with interest to Mr Scott-Hopkins and it was borne in on me that he was speaking on behalf of purely national British interests when he said that if Great Britain had a twelve-mile limit that would mean a catch of one million tonnes, and that if the limit was extended to 50 miles the catch would be corres-

**Kofoed**

pondingly greater. That is a nationalistic way of considering the question, for who would these tonnes be taken from? Simply from other members of the Community. Such an attitude takes us back to the trading philosophy of the 1930's and its tantamount to abolishing the common agricultural policy and the common market.

When we see the kind of political thinking which goes on in European Parliaments, it seems to me that the Commission has a very difficult problem, one which it will be very difficult to solve. Political parties in European parliaments are merely out to get as much as possible for themselves, though they know quite well that a colleague is paying for it. The sea produces a certain quantity of fish so that we are obliged to have European regulations, but the type of fish produced is also important. If there is unrestricted fishing for herring other species increase. If there is intensive cod-fishing the population of other species goes up. The total quantity of fish remains on the whole unchanged but there is a change in the distribution of the different species. This is why we need international regulations for fish catches.

We must also have international regulations for the North Sea and I think it is obvious that the Commission must be supported in all its efforts to produce European regulations. I agree that we must have certain coastal zones when they are important to the local populations. But that cannot be used as an excuse for expelling the fishermen of other countries. The British representatives cannot be right when they say we must increase the limit to 50 miles. Why is such an argument put forward? It is contended that because they have been excluded from Iceland they must be compensated at home. In other words, other fishermen must be excluded. I think we should try to consider this matter as Europeans. Whether a fisherman lives in Scotland, Denmark or Holland, he must enjoy the same European protection. It cannot be right to impose limits on fishermen, to decide where they shall catch fish. I will support the Commission in its contention that the riches of the North Sea belong by right to the Community and not to any nationalistic interests.

*(Applause)*

**President.** — I call Mr Laban.

**Mr Laban.** — *(NL)* Mr President, I also should like to say a few words on this motion. Firstly, the debate is perhaps somewhat premature as we still have to learn the outcome of the Third Law of the Sea Conference. In any case, I hope that it will be decided to introduce a 12-mile zone. This would pave the way to a Community fishery policy, of which I am an ardent advocate. It could even be a policy which was more integrated than the agricultural one.

I can imagine that if a 12-mile zone is introduced the maritime states would enjoy exclusive fishing rights under international law. I can also imagine that in such a situation historic fishing rights would be gradually restricted, for example over a ten-year period. But I know that there are problems between the various Member States and particularly that states with long coastlines, such as Ireland and the United Kingdom, feel that it must then also be possible to extend the 12-mile zone under a Community policy.

Although it seems to me that these points of view can only be defined in greater detail on the basis of broader evidence when the results of the Conference on the Law of the Sea are known, I should nevertheless like to state at this point that I am against the total extension of the 12-mile zone around maritime states with long coastlines. However, I can well imagine that these states possess certain coastal areas in which the population is so dependent on fishing and the fishing industry inside the 12-mile zone that certain exceptions must be made according to criteria to be drawn up by the Commission.

I should, therefore, like to make this reservation in any case. But I should very much like to hear from the Commissioner — and I refer to the point of view adopted by my Group colleague, Mr Prescott — whether, if international law establishes a 12-mile zone in which maritime states can freely exercise their fishing rights, and if at the same time there is a 200-mile zone to which a Community fishing policy must be applicable, it would be necessary to amend the Treaty of Rome with reference to such a Community fishing policy involving exceptions for the 12-mile zone for specific areas. I am not quite so convinced about this as Mr Prescott and I should be obliged to Mr Brunner if he could clarify this point.

I should also like to hear from Mr Brunner, whether, if the Third Conference on the Law of the Sea does not agree on the introduction of a 12-mile and a 200-mile zone, the Commission will then be prepared to introduce the 12-mile and 200-mile zone independently as so many countries have done already, and then to develop a Community fishing policy. I know that if you already are backed up by international law you are in a much stronger position when negotiating with third countries exercising fishing rights, but I feel that, in order to solve the fishing industry's problems and to conserve the ocean's rich resources, the Commission should begin such negotiations, and that we should try to arrive at a satisfactory agreement on the basis of negotiations with the third countries.

This is another point on which I should like to hear Mr Brunner's views.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, I am sure that the President of the Council will want later to give us more detailed information on the state of the negotiations in New York. I should just like to mention in this connection that this third phase will last until May. This may be followed by a fourth round of talks. This being the case, any ideas we might have on any unilateral arrangement which might be needed in the future are premature. In any case it would not be for the Commission to make such a decision, but the responsibility of the Member States in collaboration with the Council of Ministers. That answers Mr Laban's last question.

A question was asked about the situation regarding the 12-mile zone. All I can say is that when we consider that fishing losses will be incurred, and that there are countries which will suffer almost as great losses as the United Kingdom — the introduction of a 200-mile zone would mean for the Federal Republic of Germany a loss of just under 20 % less than that of the British — and if we consider that compensation must be made for them, we can only compensate by fixing quotas according to type and quantity of catch. This will mean that certain species still being fished by British, Danish and German fishermen will disappear from this 200-mile zone. We shall have to compensate with other types of fish.

The purpose of the 5 % reserve is to create a certain flexibility. It does not mean that this reserve only should be treated as the compensating source, and it should be clearly realized that compensation takes place within the 200-mile zone.

Now if you say that the 12-mile coastal waters are insufficient, it can be argued that you should take the Federal Republic of Germany as an example. Here is a country with a very small coastal area but very high losses from the 200-mile regulation. You cannot compensate for these losses by extending the 12-mile zone. But if you still extend the 12-mile zone, you create even more problems, since you will no longer be able to compensate here. And let there be no mistake about it: since losses are borne by the Community as a whole, we must together try to ensure that the margin which we would have inside the 200-mile zone as a Community margin and as an economic zone is as wide as possible — I say this to Mr Prescott, since I had the impression that he had not properly understood me: the 200-mile zone would be the economic zone. If we do not obtain as wide a margin as possible for compensation within this 200-mile zone, we shall be in a sorry state. Then we shall see what has just been described by my friend from the Liberal Group, namely a free-for-all leading to a state of affairs which is the direct opposite of what we are aiming at in the Community. This must be avoided.

It was asked whether the Treaty would have to be amended. At first sight, I would say that if the

Commission proposals are accepted there will be no need to amend the Treaty. The proposals are designed to avoid amending the Treaty.

I think those are the main points which I wanted to cover at this stage. It is too early to start thinking about what will happen if the New York negotiations fail. There will doubtless be another round of talks. The important thing is for the Community not to fall apart over this international settlement. Mrs Ewing is right to consider the possibility of a common settlement in the North Atlantic should the talks fail. This consideration carries weight. But it is still too early for us to throw up the sponge. The negotiations are still under way. The main thing is that we should preserve our unity, for one thing is certain: as we shall all be losers we are bound to lose more if we are divided. United we have the best chance of reaching a tolerable settlement.

(Applause)

**President.** — I call Mr Berchem.

**Mr Berchem, President-in-Office of the Council.** — (F) Mr President, gentlemen, at the end of this debate I should like to make two more brief remarks. With regard to the situation in New York, I cannot give you the report today, since official contacts are currently taking place and it would be premature to anticipate their outcome. Furthermore, it is correct that the Council has not yet managed to adopt a common position on the communication from the Commission and thus also on the various questions raised in this debate.

I must say in all sincerity that the Council has tried its utmost to adopt a common line, but, as the debate itself has shown, very important, very complex and sometimes widely differing interests are involved.

You will have noticed that Mr Gibbons, who asked the question, and other speakers, were against certain ideas contained in the Commission communication. But several Member States are in favour. Therefore the Council should obviously continue to discuss this matter to find a common solution to the problems confronting us. But I am pleased to see that Parliament held this debate at a very important moment, and I shall make a point of informing the Members of the Council of your remarks.

**President.** — I call Mr Laban.

**Mr Laban.** — (NL) Mr President, with regard to Mr Brunner's reply — for which I thank him — I should just like to ask one very specific question in order to be sure of what is involved. Let us assume that the 12-mile and 200-mile zones become international law and that we shall have a Community fishing policy. Under this policy it might be possible to lay down that, for example, 100 miles to the north and 100



**Laban**

miles to the south of Hull a 50-mile strip is declared to be territorial waters, since that area is dependent on fishing and not enough fish can be caught within the 12-mile zone. In such a case would it not be necessary to amend the Treaty? That is my only question.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — I thank both of the two gentlemen who have answered. May I ask the President-in-Office of the Council whether he will let this House know the consensus of views shown by the answers to the questionnaire which he has sent round to the member countries?

**President.** — I call Mr Berchem.

**Mr Berchem, President-in-Office of the Council.** — (F) Mr President, if in future other questions are asked on the problems just raised, I think it is the Council's duty to reply to them in this House.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, there is no ready-made answer to this kind of theoretical question. But I can say one thing: the ideas which led to the Commission proposal were based on such a proposal not requiring any amendment of the Treaty. Why? Because there would be no discrimination. Wider-ranging proposals would, however, in all probability require amendment of the Treaty, because they contain a discriminatory element for certain Member States. But since I am no nautical expert, I cannot tell you exactly at what distance discrimination begins.

**President.** — I call Mr Gibbons.

**Mr Gibbons.** — Mr President, could I thank the President-in-Office and the Commission representatives for such replies as they did give and could I finally ask both these gentlemen for an answer to one of my questions and it is this: will any projected arrangement incorporate a measure of flexibility in the

12-mile limit to cater for the regional necessities in certain areas in the Community?

**President.** — The general debate is closed.

#### 11. *Presentation of a petition*

**President.** — I have received from Mr Bartels and others a petition on the clause concerning migratory birds.

This petition has been entered under No 2/76 of the General Register provided for in Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of that same Rule, referred to the Committee on the Rules of Procedure and Petitions.

#### 12. *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Friday, 9 April, from 9.30 a.m. until noon, with the following agenda:

- Gerlach interim report on the draft annual accounts of the European Parliament for the 1975 financial year (1 January — 31 December 1975)
- Brugger report on the report of the ECSC Auditor for the 1974 financial year
- Flesch report on the supply of sugar to UNRWA as food aid (without debate)
- de Freitas report on the supply of skimmed-milk powder as food aid to certain developing countries and international organizations under the 1976 programme
- supplementary report by Miss Flesch on the Staff Regulations of Officials and the Conditions of Employment of other Servants of the European Communities
- Vetrone report on wines originating in Cyprus
- Schmidt report on certain products originating in and coming from the Faroe Islands (without debate)
- Bermani report on the approximation of the laws of the Member States relating to units of measurement.

The sitting is closed.

*(The sitting was closed at 6.05 p.m.)*

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## IN THE CHAIR : MR SANTER

*Vice-President*

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

**President.** — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

**President.** — I have received from the Committee on Energy and Research a report drawn up by Mr Flämig on the conditions for a fresh start in Community research at the Joint Research Centre (JRC) (Doc. 49/76).

3. *Texts of Treaties forwarded by the Council*

**President.** — I have received from the Council of the European Communities a certified true copy of the Agreement between the European Economic Community and Hong Kong on trade in textile products.

This document will be deposited in the archives of the European Parliament.

4. *Tabling, decision on urgency and inclusion in the agenda of a motion for a resolution*

**President.** — I have received from Miss Flesch, on behalf of the Committee on Development and Cooperation, a motion for a resolution with a request for debate by urgent procedure, pursuant to Rule 14 of the Rules of Procedure, on Community participation in the International Fund for Agricultural Development.

This motion for a resolution has been printed and distributed as Doc. 50/76.

Are there any objections to the request for urgent procedure?

The adoption of urgent procedure is agreed.

It would seem logical to place the debate on this motion on the agenda immediately before that on the report by Sir Geoffrey de Freitas.

Are there any objections?

That is agreed.

5. *Accounts of the European Parliament for 1975*

**President.** — The next item on the agenda is the interim report drawn up by Mr Gerlach, on behalf of the Committee on Budgets, on the draft annual accounts of the European Parliament for the 1975 financial year (1 January — 31 December 1975) (Doc. 19/76).

I call Mr Lange.

**Mr Lange, deputy rapporteur.** — (D) Mr President, ladies and gentlemen, here you have the interim report on the draft annual accounts of the European Parliament for the 1975 financial year drawn up on behalf of the Committee on Budgets. Attached to the report is what we, in the Committee on Budgets, consider to be a very enlightening table showing changes in expenditure compared with the appropriations in the 1975 budget. From this, I feel, this Parliament and its Committee on Budgets should draw the appropriate conclusions — and this naturally applies to the preparation of the provisional draft budgets by the various institutions — and be even more careful than previously to see that in the future amounts carried forward and unused appropriations are no longer possible on this scale. This means, in other words, making sure that the preparation of the budget is far more conscientious and strict.

We have to produce this report as an interim report because we have to give a provisional discharge, in advance, for the administration of the 1975 budget, since under Article 81 of the Financial Regulation applicable to the general budget of the European Communities, the account for revenue and expenditure has to be drawn up by 1 June at the latest. Since Parliament, as budgetary authority, also administers its own independent budget it must, at least provisionally, allow the accounts to be drawn up so that they can be incorporated in the general accounts for 1975. For this reason, under Article 84 of the Financial Regulation, all the institutions, including Parliament, must forward to the Commission by 1 May at the latest the information necessary for drawing up the account for revenue and expenditure and the balance sheet. We are therefore submitting this interim report so that Parliament can take official note of the closure of its accounts.

In the same connexion, we have to decide officially on the cancellation of certain appropriations which have not been used. There are, as Mr Gerlach says on behalf of the Committee on Budgets, two reasons, for these cancellations. One is based on the Financial Regulation and relates to unused appropriations carried forward from the previous financial year, i.e., 1974, and the other is to be found in the fact that part of the appropriations for the current financial year, i.e., the year for which a provisional discharge is given by this interim report, has not been used. My opening comments regarding the future preparation of budgets are also set out very clearly in paragraph 4 of Mr Gerlach's explanatory statement.

Moreover, ladies and gentlemen, I feel that if we want to keep strictly to the principle of budgetary truth and clarity then we must ensure that such large amounts carried forward and such large-scale cancellations should cease to be possible in the future, for it cannot be said that carrying forward improves the transparency of the budget. At the beginning of the year we

**Lange**

decided on a budget and officially approved it and in the end we find that the initial appearance of the budget has altered considerably.

If we wanted to be unkind, we could qualify this practice of bringing such large amounts forward as set out in annex to the report as an attempt to obscure budgetary transparency, but none of us would want to be accused of that and therefore we must take to heart the lessons it teaches us for the future.

The last point to be made in this connection is that, with this interim report, we also decide to pronounce on the final adoption of Parliament's final accounts at a later date. Pursuant to Rule 50A (2) and (3) of the Rules of Procedure, Parliament adopts its annual accounts on the basis of the report of its Committee on Budgets and also decide on the final discharge to its President and Secretary-General.

We must therefore be aware of the implications of the decisions we may take today.

There is no need for me to go into the detail of the motion for a resolution contained in this report. It is self-explanatory, and since we have all learnt to read, I feel that we can save the time that this would take for other matters.

I would therefore be grateful, ladies and gentlemen, if you would kindly adopt this motion for a resolution, with the explanatory statement and annex which, in practice, form part of it, and if each of you would take the trouble to study the annex carefully so that you can see why we are forced to draw the relevant conclusions from what has happened for future budgets.

To respect, we must take pains to ensure that at the end of a year the appropriations broadly coincide with actual expenditure and conversely, if I may say so, we must make it our business to see that expenditure evolves in such a way as not to depart to any great extent from the appropriations. The result will be greater transparency, greater clarity and greater budgetary truth.

Once again, ladies and gentlemen, I would ask you to support this resolution so that we can give the provisional discharge. At a later date, when the general budget of the Communities is being dealt with, we shall have to decide on the final discharge to our President and Secretary-General.

*(Applause)*

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

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

#### 6. *Change in the agenda*

**President.** — I call Mr Scott-Hopkins on a point of order.

**Mr Scott-Hopkins.** — On behalf of my colleague, Sir Derek Walker-Smith, and the Conservative Group may I ask for item No 60, the report drawn up by Mr Bermani on behalf of the Legal Affairs Committee, to be postponed until our next part-session? Both the rapporteur and the chairman of the Legal Affairs Committee want this, and I hope that the House will agree to the report's being postponed until May.

**President.** — I put this request for postponement, made by a political group, to the House.

Are there any objections?

That is agreed.

#### 7. *Report of the ECSC Auditor for 1974*

**President.** — The next item is the report drawn up by Mr Brugger, on behalf of the Committee on Budgets, on the report of the ECSC Auditor for the financial year 1974 (Doc. 550/75).

I call Mr Lange.

**Mr Lange, deputy rapporteur.** — (D) Mr President, ladies and gentlemen, I am sorry you are having to put up with me three times this week as rapporteur on financial questions, but there is nothing I can do about it, since the Members concerned have other commitments. The committees must fulfil their duties to the plenary Assembly, so there is no way round it. I said on Thursday that the rapporteur himself is not allowed to delegate his rapporteur duties to another member of the committee and that only one of the chairmen — the chairman himself or a deputy chairman — can fill his shoes.

Now, ladies and gentlemen, you have Mr Brugger's relatively full report in front of you. I do not propose to deal with all the details of this report, for that would take an inordinately long time.

The issue is our decision on the report of the European Coal and Steel Community's Auditor for the 1974 financial year. Through its rapporteur the Committee on Budgets made a number of observations to the Commission on this report, on which the Commission, in its turn, has given its comments. You will find the Commission's comments on the original draft — which is now the report of the Committee on Budgets — in annex to the report and can therefore acquaint yourselves with the Commission's answers, because I do not think there is much point, in this case, in making any attempt — and I am convinced that Mr Brugger would not have done so either — to go through the Commission's replies in detail. We should simply take official note of these replies, as we did in the Committee on Budgets at the various meetings we held.

I would just like to draw your attention to one point. The Committee on Budgets specifically commended the very careful work of the auditor. It noted with satis-

<sup>1</sup> OJ C 100 of 3. 5. 1976.

**Lange**

faction that some deficiencies of earlier years, particularly as regards the on-the-spot checks at undertakings, have been eliminated. In addition, it has been possible to carry out more intensive inspections in the case of research projects where the checks at undertakings by the Commission produced insufficient data. This too is to be found in the report. At one point in the report it is said that the number of inspections had been increased substantially in 1975 — as compared with 9 in 1974. The wishes of Parliament and of the Commission's auditor have thus been met.

There is another matter causing some concern to the Committee on Budgets. The fact is that we are not clear about the precise nature of the ECSC budget. It is funded differently from other European Communities' budgets, and the Committee on Budgets — and this emerges to some extent in Mr Brugger's comments on the auditor's report — thinks that we ought to consider together (and this is a request to the Commission) how we can fit the global financial management of the Communities, that is the ECSC, the Economic Community and the Euratom Community, into one single budget, because here the same problem arises to which I referred in connection with our own budget, namely, ensuring budgetary truth and clarity. I feel that we should draw the necessary conclusions.

In principle, we have no particular criticisms of the auditor's report. We commend its quality and basically support what it says about the desirability for more inspections by the Commission, a point to which I have already referred. In talking about the ECSC budget, I should add that the European Coal and Steel Community has an executive authority, originally the High Authority, which was merged with the Commissions of the two other Communities into a new, single Commission. This joint Commission now serves the High Authority of the European Coal and Steel Community so that a number of additional powers fall to it opening up financial possibilities outside this budget, which is constituted by the levy. Here I am referring to the lending and borrowing policy of the European Coal and Steel Community. As with the Communities' overall lending and borrowing policy, we need to see how this policy can be made transparent — either by direct inclusion in the budget or as an annex to the budget — so that all aspects of financial policy are completely clear to an outsider but also to the budgetary authorities themselves. This applies to both parts of the budgetary authority — the Council as well as the Parliament.

With that I think we can close our comments on both the auditor's and Mr Brugger's reports. I recommend Members to vote for the resolution. It is somewhat longer than normal, the reason being that a number of details had to be spelled out, particularly as regards income from the levy, expenditure on rehabilitation measures occurring in the coal-and-steel sector, expenditure for technical and social research in this area,

the borrowing, lending and guarantee operations to which I have already referred and, finally, important data on the 1974 financial year.

Ladies and gentlemen, we should therefore approve this motion for a resolution so that, as envisaged by the rapporteur, Mr Brugger, and the Committee on Budgets, progress may be made in the right direction for future occasions.

*(Applause)*

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — *(F)* Mr President, I would ask Mr Lange to be kind enough to convey to Mr Brugger the congratulations and thanks of the Commission that I would have been glad to express to him personally.

His excellent report relates mainly to the problems of accounts and management, on which I shall dwell for a moment or two.

First of all I would like to associate myself with the rapporteur's appreciation, and that of Mr Lange, for the auditor's work and the constructive contribution it makes to the work of the departments in the Commission and to that of Parliament. It is gratifying that the close cooperation that made it possible for us to work together should have manifested itself in our daily contacts and that the structure and content of the auditor's report, as Parliament wished, should be not only an instrument for control but also provide food for thought on all ECSC policies.

Like your rapporteur — in paragraphs 1 and 2 of the motion for a resolution — we are pleased to note that Parliament has been able to have the assessment of the past financial year's operations at the same time as it has to give its decision on the operational budget and the rate of the levy. This is a good method and should be adhered to in the future.

We also note the practice, now followed for the second time, of reproducing the Commission's comments in annex. We thank the Committee on Budgets for doing so.

As Mr Lange has recalled, Parliament attaches considerable importance to the control on income from the levy. The number of inspections made in 1974 had been relatively small, but as the rapporteur has pointed out, inspections were stepped up in 1975 and even reached a record total.

As regards the expenditure, referred to in paragraphs 6 to 8 of the motion, on technical and social research, to which the auditor paid very special attention, I would like to say that the results of the inspection work are highly positive. Between 1972 and the end of 1974 the number of contracts in progress rose from about 500 to 630, and then increased to 700 in 1975. Despite this considerable increase in the number of contracts, management improvements solved the problem of excessive delays in preparing programmes and in the punctual execution of the final checks.

Another point to note is that expenditure for rehabilitation has occasioned an investigation — as proposed in paragraph 5 of your motion for a resolution — of the economic context of the operations that are assisted. The fact is that, in the field concerned, there is effective cooperation between the national services and the Commission's offices.

Mr Lange has referred to two or three subjects of very general interest. He first referred to loans and their budgetization enabling Parliament to exercise control over the whole of the Community's resources. The Commission, needless to say, is fully in agreement with Parliament on this point. We regret that, at the meeting of the enlarged Council held last Monday, no conclusion was reached on the subject by the Council of Ministers.

Mr Lange also referred to budgetary unification. On this point, I have to tell him that we are in some embarrassment. We are — and the chairman of the Committee on Budgets is well able to confirm this — very much in favour of unifying the budget and bringing back stray sheep to the fold, like the European Development Fund and so on. On the other hand, we would not like those features of the Treaty of Paris which are progressive in nature as compared with the rest to disappear. The trouble is that we think that, on some points, budgetary unification might entail a change to the Treaty and with that the Commission is not in favour.

On the other hand, as regards the ECSC accounts, I would like you to know that we are hoping to achieve a considerable improvement as regards the budgetary side. The new budgetary accounts will be kept by the one Brussels accounts centre and this will enable the Commission and its departments to keep strict, day-to-day watch on the running of the ECSC operational budget. The coherence of accounts to which the rapporteur very rightly refers will be reinforced by virtue of the fact that the general accounts kept in Luxembourg and the budgetary accounts kept in Brussels will be maintained in perfect correlation by means of a liaison account run by the General Directorate for Budgets in Brussels. The ECSC auditor has, of course been consulted and has signified his agreement with the principle of this system of accounts organization.

In the background to these admittedly somewhat dry remarks on accounts and management — and I beg the Assembly's indulgence for their dry nature — I think we should remember, with some pride, that the ECSC's financial activities have continued to grow remarkably in coping with the applications for loans from firms in the steel and coal industries. In the first 3 months of this year, loans granted by the ECSC came to 444m.u.a. — which is a record. It is interesting to note that, among the investment projects for which these loans have been given, there is for the first time an operation outside the Community — namely, the development of an iron-ore mine in

Canada. The object is to help with supplies for the Community's steel industry.

Our ECSC policy is continuing to develop as Parliament has always wished. The volume of loans granted over the last two years shows the scale of assistance afforded by the Community. In a period in which the economic recession and in particular the very steep fall in prices and the cashflow crisis in the steel industry threatened to undermine this basic sector, the Community's action proved useful not only for the industry's investment plans but also for the economy as a whole.

What is more, in a period when balance-of-payments problems are particularly difficult, it is worth noting that the ECSC's financial activities produce some positive side-effects in this regard, since the majority of loans to undertakings are made in a different currency from that of the country concerned and since the countries with a floating currency are at the head of the list of beneficiaries of loans made in firmer currencies.

These are the highly positive facts to which I wished to draw your attention and which lie behind the comments on accounts — the latter, of course, being more prosaic in content.

For all these reasons, the Commission recommends Parliament to adopt the motion for a resolution tabled by the Committee on Budgets.

**President.** — I call Mr Lange.

**Mr Lange, deputy rapporteur. (D)** — Mr President, I have asked to speak again only because of one particular comment of Mr Cheysson. For the rest I feel I can recommend Parliament to note and approve what he said (this also applies to the outline of activities in the first quarter of 1976).

Mr Cheysson said that he had no precise idea, and that he was in some embarrassment, as to how the ECSC budget could be incorporated in the Communities' general budget. To my mind, we ought to consider this problem further, for I would readily agree, Mr Cheysson, that we do not want to deprive ourselves of those parts of the ECSC Treaty providing for different budgetary and financial conditions compared with other budgets. In that, therefore, you have our full support. This does not make the task easier — it makes it more difficult — but nevertheless we ought to try to arrive at a solution for the 1977 budget that will enable the ECSC budget to be included and the borrowing and lending activities to be budgetized, despite your report from the last meeting of the Council of Ministers for financial and foreign affairs to the effect that there they could not concern themselves any further with this specific question. During the course of this year, however, and in particular during the deliberations in the three institutions on the 1977 budget, we shall have an opportunity to discuss this question — with the Council as well — in the way it deserves.

Allow me, Mr Cheysson, to make one last point. You said this was a relatively dry subject. Budgets are always somewhat unromantic and these figures are very prosaic material, but I feel that, if sentiment fails to bring others closer to Europe, then we ought to try to continue building Europe on this kind of sober foundation.

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

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

#### 8. Regulation on the supply of sugar to UNRWA

**President.** — The next item is a vote without debate on the report drawn up by Miss Flesch, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission of the European Communities to the Council for a regulation on the supply of sugar to UNRWA as food aid (Doc. 43/76).

Does anyone wish to speak?

I put the motion for a resolution to the vote.

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

#### 9. International Fund for Agricultural Development

**President.** — The next item is the motion for a resolution tabled by Miss Flesch, on behalf of the Committee on Development and Cooperation, on Community participation in the International Fund for Agricultural Development (IFAD) (Doc. 50/76).

I call Miss Flesch.

**Miss Flesch, rapporteur.** — (F) Mr President, ladies and gentlemen, this motion for a resolution concerns the participation of the Community in the International Fund for Agricultural Development.

The Committee on Development and Cooperation attaches considerable importance to this fund, but before adopting a position or asking Parliament to adopt a position it preferred to wait for the proceedings of the Council on Development to finish yesterday so that it could know the Council's attitude to this question. The fact is that the Council has been discussing it since October last year and has not so far been able to define its position.

What are we talking about? A fund whose purpose is to encourage agricultural production in the underdeveloped countries so that they can meet their own food requirements and, in the longer term, stop having to import food products. Overall, the fund would need to total \$ 1 000 million.

Eight Member States of the Community have said they would agree to the Community's contributing something like \$ 200 million, which would equal the contribution expected from the United States. The oil-producing countries would also be making a very large contribution.

The Committee on Development and Cooperation, as I have said, considers it is most important that the Community should decide to participate in the International Fund for Agricultural Development.

It hopes that Parliament will share its view and stress, in its turn, the importance of this decision — which needs to be taken without delay, since decisions to join the fund must be notified this April. This is also, Mr President, the reason why our Committee asked for the debate to be held under the urgent procedure, because the Community will have to take its decision during the next few weeks.

These are the points that you will find in the motion for a resolution submitted for your consideration.

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

**Lord Walston.** — I support this motion very strongly indeed. If there were anybody in this Chamber today who lived in a small town or a village and had in their barn a great stock of food, far more than they could consume themselves, while the rest of the population of that town were starving and dying because of lack of food, I do not think any of us in that position would be particularly proud of ourselves. We certainly would not be proud of any of our neighbours who were behaving in that way. If, at the same time, we not only had this store of food which we did not allow other people to eat, but were in fact having to pay money for its storage and it was deteriorating while it was not used, we should be considered not only wicked, but mad.

Yet that is precisely what is happening at the present time in the Community. We have stores of unwanted food which we refuse to give to those who are dying; we have the knowhow, the machinery, fertilizers, all the ingredients for producing more food in other countries, which we are refusing to share adequately with those countries. Now I know that we are full of self-pity because of our economic crisis, we are frightened because we think we are poor. But, Mr President, are we really as poor as all that? Can we consider ourselves poor when as a Community we consume more than 80 kg of meat every year? We drink on an average more than a 100 litres of milk every year, we have more than one motor car, more than one telephone, more than one television set, for every three inhabitants of the Community. We cannot in all conscience call ourselves poor in these circumstances.

<sup>1</sup> OJ C 100 of 3. 5. 1976.

All we are, and we must be frank about this, is selfish. We refuse to share, we refuse to help, except in minimal quantities, those people whose need is so great. And we refuse to do it, not, I believe, because we really are as selfish as all that, but because we are ignorant, because we do not understand what is going on in areas thousands of miles away from us. It must be our job here, in this Parliament, to bring home to the voters of the Community their very real responsibility, our very real responsibility, in this respect. The proposal of Miss Flesch and her committee is the most promising way at the present time of doing so.

The United Nations, the Food and Agricultural Organization, have taken an initiative. We here in the Community, as one of the three great economic powers in the world, as the greatest buyer of food on the world market, the greatest importer of food and feeding-stuffs, must not lag behind. Rather we must take the initiative, we should be the ones to take the lead, and while we cannot be the first, because others now are ahead of us, I do urge upon this Assembly, upon the Commission, upon the Council of Ministers and upon our own governments and people, that we should follow fast in the footsteps of others and that we should be among the first to joint the move to combat hunger, starvation, malnutrition and disease throughout the whole world.

*(Applause)*

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

**Mr Deschamps.** — *(F)* Mr President, it will be no surprise that the Christian-Democratic Group, through me, supports the proposal so rightly tabled by the chairman of the Committee on Development and Cooperation. We support this initiative unreservedly, and sincerely hope that it will be possible to take the decisions with regard to the International Fund for Agricultural Development by May at the latest.

Apart from the humanitarian reasons and considerations of justice that have just been set out so well, I would like to stress the paramount importance which the developing countries themselves attach to this aspect of our cooperation.

I think it was Mr Cheysson himself who, reporting for the first time on progress made in implementing the Lomé Convention, recently told us that over 40 % of the requirements indicated to the various missions currently visiting the ACP countries in order to establish their basic needs and to formulate programmes for practical action, relate specifically to agricultural and food production and 28 % relate to the basic equipment necessary for developing certain areas where it is essential to promote such agricultural and food production. This makes a total of 68 %.

Most of the countries we asked to tell us which sectors need the extra effort named agriculture. In presenting this request, we are not only projecting European

thinking, we are also therefore endorsing the fundamental claims of the Third World itself.

I have one other point to make. This failure on the part of the Council with regard to the IFAD problem will not, we are told, be the last or even the worst. Some people even go so far as to say that this Council meeting has been a failure on every count.

I would therefore like to hear what I still hope may be some more reassuring words from Mr Cheysson on certain other points that were discussed yesterday.

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

**Mr Scott-Hopkins.** — Mr President, the European Conservative Group entirely supports Miss Flesch's initiative and her motion for a resolution.

I think we want to be quite clear what we are actually saying in this resolution. We are not talking about supplying food aid from the various stores throughout the European Community to the developing countries. This resolution is purely concerned with aid for the development of agriculture in the developing countries. I entirely support what has been said by Miss Flesch and by the representative of the Christian-Democratic Group.

There is one point which was made by Miss Flesch and on which I should like further information. I hope perhaps she will be able to answer, and if not her, Mr Cheysson. She said that eight countries were in agreement concerning the need to join in this particular operation. That leaves one out. Which is the ninth country? Which one is dragging its feet? If there is no agreement amongst the Nine, will the eight countries who are in agreement be able to go ahead? Will the Community be able to go ahead with them, leaving the ninth country either to go ahead on its own or not as it wishes, thereby incurring the opprobrium of the whole world? What will happen if there is not an agreement within the Council? I would have thought that it was absolutely essential that we should join the United States and the OPEC countries at the earliest possible moment. As I understand it, the middle of April seems to be the deadline for this, when the United Nations Secretariat will take a decision as to whether enough money is in point of fact available. I hope that Mr Cheysson, and perhaps Miss Flesch will be able to give us a little information, and a little more encouragement.

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — *(F)* Mr President, what a contrast between yesterday afternoon and this morning! It is as though the people I heard speak for a whole afternoon yesterday did not come from the same countries, nor belong to the same political parties or the same schools of thought as those seated on these benches today. Is their understanding of the situation different, too?



## Cheysson

No. Everybody realizes that the food problem has become *critical*, that word is not too strong.

I shall simply quote two figures, to be compared with each other, recently issued by the FAO. The food requirements of the Third World are increasing at a rate of 3.5 % a year; food production in the Third World is increasing at a rate of 2.6 % a year. In other words, far from decreasing, nutritional deficiency — the deficiency that leads to death, disease in infants and underdevelopment in future generations — is increasing from year to year. That is the situation. No one denies it, whether it be you, ladies and gentlemen, or your compatriots sitting on the Council of Ministers. So what conclusions do we have to infer? This morning there are two items on food aid, one being the IFAD, and a member of the Committee on Development and Cooperation has suggested that I should also raise other development topics.

Yesterday, your compatriots, the members of your political parties, the ministers in your governments, all — without exception — took a negative stand on every single item! Without exception! What were we talking about yesterday? We wanted to know whether we really wanted — as we claim in all our fine speeches — to help the developing countries technically and financially to develop their own food production.

We had an opportunity to set in motion the IFAD, a development fund to which the oil countries — now selling us their oil at a much higher price than before — are contributing 50 %. The answer yesterday was no.

Through an appropriation taken by Parliament from its margin for manoeuvre under the provisions of the Treaty we wanted to make a start with a measure decided by Parliament in its own right. With this money made available to us — admittedly not much, only 20m u.a. — we could have backed a number of projects concerned — precisely — with food production, either alongside our governments or in the framework of international organizations. The projects involved were very simple: small storage silos in Indian villages to keep the amount of grain destroyed by insects or rats down to 25 % or 30 %, facilities for using the by-products of animal farming, and so on. These were the projects, all related to the development of food production, that we would have been assisting with a sum entered in our budget by Parliament in the exercise of its parliamentary sovereignty, severely restricted as it is by the Rome Treaty but which must assert its rights. On this subject, like the previous one, the answer was no.

Yesterday we talked about food aid. The Commission's wish for an increase in food aid hardly had time to be voiced. Very quickly a decorous veil was drawn over the possibility of increasing aid and we asked merely that we should at least, be in a position to assure our partners, and in particular the international

organizations, that the volume of food aid would not be cut during the next two years — in other words, that we would guarantee a minimum — that of 1975. I do not even say that of 1976, because in 1976 the Council, in a moment of agricultural aberration, was kind enough to increase our aid in milk powder — an incredible decision because everybody knows how short of milk powder we are in Europe! The fact is well known to the press and to public opinion. But since the Council had taken this incredible decision of increasing food aid in 1976, we went back to 1975. We therefore simply asked for a declaration that we would not fall below the 1975 level. The answer was no!

So, Mr President, there are occasions when we are disheartened. Still we have to continue to go forward. The Commission therefore thanks Parliament for holding this debate on the IFAD — in spite of its distaste for a heavy agenda on a Friday — and, under that heading, on the food problems of the Third World, where people are suffering and condemned to die. This Mr President, is a way of taking action; it needs to be spread abroad by everyone in his or her own country, and we have to continue to go forward.

As regards the IFAD, although yesterday's reply was in the negative I feel it is not yet a completely lost cause. What, in fact, is the time-table? On 15 April, 6 days from now, the Secretary-General of the United Nations has to add up the commitments entered into by governments to see whether they approach the \$ 1 000 million and whether, therefore, the plenipotentiary conference setting up the IFAD can be called in May.

Yesterday, the 'no' I have told you about was softened by the agreement of the ministers to repeat individually to the United Nations General Secretariat during the next few days the assurances that some Member governments have given and which, at the moment, total \$ 122 million out of the 200 million expected of us. I feel that during the next few days these assurances will total a higher figure. We thus hope to convince the Secretary-General of the United Nations that we are sufficiently close to the overall total of \$ 1 000 million for the plenipotentiary conference to be called in May. We are still hoping that, after further time for thought, this 'no' may be changed into a 'yes', which incidentally has a curious ring about it because it involves no call on the Community budget, nor on the Member States of the Community in proportion to their contribution to the budget. Some governments are ready to go farther in the extent of its commitment (the Netherlands government stands out every time) and other governments have decided not to go so far, but I hope that a total breakdown will be avoided. I still have some hope for the IFAD, despite the very depressing picture I have drawn.

At other levels, Mr President, we are continuing to scratch away like mice and endeavouring to inch

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forward. On a point of admittedly limited importance, forgive me for detaining the House for a moment or two more. You will remember that when the budget was adopted it was decided, on the proposal of several political groups, to include an appropriation for assistance via the channel of the non-governmental organizations — that is to say, those voluntary organizations and charities which have no overhead expenses, are deeply involved in village life in Africa, India and Bolivia, and act by direct contact with the people themselves. What they do therefore deserves to be encouraged, for these organizations mean a great deal to some sections of the general public, which are themselves, generally speaking, the most generous and the most devoted.

It is the Council that has the use of these 2.5 million u.a., although it was Parliament that provided the sum out of its margin. What was the Council's answer? No, as you are well aware. The Commission is now going to act on its own responsibility. Since this appropriation was entered in the budget in unequivocal fashion by Parliament, in compliance with the Treaty, and in the exercise of its budgetary powers, the Commission has decided not to wait for the Council and to put this sum into use as from Monday next.

I wanted Parliament to know this; we are facing up to our responsibilities.

*(Applause)*

These repeated 'nos' have become intolerable. On this point we shall go ahead. We may possibly have to do the same in other fields. If it is considered that we have acted illegally, then the case will have to go before the Court of Justice.

*(Loud applause)*

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — *(D.)* Mr President, the last two observations made by Mr Cheysson prompt me to convey something to the House.

At its next meeting, the Committee on Budgets — Mr Cheysson has raised the subject, but there are other cases too — will consider the question how the budget can be implemented in cases where budgetary appropriations are made in accordance with a line of action already approved by the Council but the Council subsequently refuses to adopt the necessary implementing measures. The parliament has authority over the budget, and what has been entered in the budget must be implemented. Consequently, Parliament and the Commission will assuredly take up the same position *vis-à-vis* the Council, and the Council will have to see for itself how it reconciles this with its original view that the budget is merely the sum total of its own decisions on financial matters. That is to say, we shall have to try and implement the budget in

the form in which it has been adopted by the two institutions responsible for the budget, and the Council will then no longer be able to obstruct progress.

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

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

### 10. Regulation on the supply of skimmed-milk powder

**President.** — The next item is the report drawn up by Sir Geoffrey de Freitas, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission of the European Communities to the Council for a regulation laying down general rules for the supply of skimmed-milk powder as food aid to certain developing countries and international organizations under the 1976 programme (Doc. 23/76).

I call Sir Geoffrey de Freitas.

**Sir Geoffrey de Freitas, rapporteur.** — Mr President, unlike the last motion for a resolution, this is directly concerned with food aid.

On 5 March the Council asked Parliament to give an opinion on the proposal from the Commission to the Council for a regulation laying down general rules for the supply of skimmed-milk powder as food aid to certain developing countries and international organizations under the 1976 programme. On 9 March, the President of the Parliament referred this proposal to the Committee on Development and Cooperation, and on 23 March, following a detailed discussion, the motion for a resolution and the explanatory statement were unanimously adopted.

I must offer a word of explanation as to the history of the matter, otherwise it may be difficult to follow. The Commission's proposal was to make available 55 000 tons of skimmed milk to certain developing countries and international organizations under the 1976 food aid programme. As rapporteur, I drafted a detailed motion for a resolution and explanatory statement, but the Commission's proposal was outdated by a later Council decision increasing the amount to 200 000 tons. We, as a Parliament, through its committee, were going after the Council and were in full cry, with the support of Parliament as shown in the debates we had in the autumn, when suddenly the fox surrendered. — But on one point only, because we know from what has been said, both publicly and in the lobbies, that yesterday's Council meeting on aid was very disappointing indeed. So we in this Parliament will have to keep up, and, indeed, increase our pressure on the governments. Fortunately, we know that we have a good ally in the Commission.

<sup>1</sup> OJ C 100 of 3. 5. 76.

**de Freitas**

The committee's resolution and report amount only to a formal approval of the old proposal. The committee regrets that Parliament has not yet been consulted on the Council's decision to increase the food aid to the new level and it intends, when Parliament has the proposal before it, to return to this matter and to make a serious study of food aid in the form of skimmed-milk powder, with particular reference to the question of its permanent character and to the health problems which arise unless there is strict medical supervision of its use. As soon as Parliament has been formally consulted by the Council, we shall ask the Commission to produce a new and detailed programme on the distribution of the increased quantity. I cannot say too emphatically how much importance we attach to the method of distribution.

Mr President, this short motion for a resolution was, as I said, adopted unanimously by our committee, and I commend it to the House.

*(Applause)*

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

**Mr Nyborg.** — *(DK)* Mr President, I shall first of all thank Sir Geoffrey de Freitas on behalf of my group for the excellent report before us, which I and my colleagues intend to vote for.

Without unnecessarily lengthening the debate, I shall merely point out that there are some fundamental principles involved that are worth mentioning. We cannot remain unaffected by the misfortunes of others, that is true, but the policy pursued still leads to waste while others starve: this food aid is being used as a sop to our consciences, and this we cannot tolerate. Serious problems are therefore involved here. We must recognize our responsibility towards the least fortunate societies. Food aid is and should be merely a supplement to genuine aid and development policy. It should in reality be an emergency apparatus that immediately improves the economic situation of the countries in need. Considering that there is more than one million tons of milk powder in stock, I find it quite unacceptable that the Commission has proposed aid amounting to a mere 55 000 tons. I am aware that the Council has suggested in the meantime that aid will perhaps be increased to an adequate amount of up to 200 000 tons. I therefore request the Commission to regard the 55 000 tons as the first consignment and to put forward as quickly as possible the necessary proposals for the supply of a total of 200 000 tons as food aid, since the amount of food aid should depend on the number of mouths to be fed and since our own stocks are so high. Clearly, our present large stocks could be the starting-point for a realistic contribution on our part, and we would at the same time solve many internal problems since we are having difficulty in using our milk powder rationally.

Let me say in conclusion that I consider it essential to stress that the human aspect of the problem is the most important, and that it is not merely an economic problem.

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

**Lord St. Oswald.** — Mr President, I rise briefly on behalf of my group to commend Sir Geoffrey's report and to echo some of the views he put forward in his presentation and also some of the anxieties which I thought were implied in what he said.

We also find it a little hard to understand that the larger amount, which we understand has already been agreed at 200 000 tons, is not yet ready to be presented to us. Sir Geoffrey's report refers to a proposal to make available 55 000 tons. I hope that by now this could be accurately referred to as a decision to make available the 55 000 tons of skimmed-milk powder, and that we could read it as such.

Sir Geoffrey also laid great importance, as we do, on the form of distribution of this skimmed-milk powder. The manner of its preparation for consumption has to be carefully considered. We understand that, in the past, the distribution and subsequent preparation of skimmed-milk powder has actually been harmful to those consuming it and that proper supervision has not been available in the developing countries to ensure, for instance, that clean water is used to reconstitute the powder, that clean utensils are used, that the proportions are correct and that consumption takes place quickly after mixing. It is my understanding that the Member governments themselves have made a great point of this to the Commission, and they have gone so far as to insist that in no instance should agreement be given to the supply of skimmed-milk powder as food aid without guaranteed supervision to prevent health hazards. So long as this food aid is distributed through recognized organizations such as the Red Cross, this may be possible, but I see very considerable difficulties. I am not in fact asking the Commissioner to give an absolute assurance on this point today; but it is of interest to us, it is clearly a matter of importance, that this form of aid given by the Community should not in any instances whatever prove actually harmful in its application. I wonder what measures he regards as possible to prevent this and also how soon we can expect to be presented with the full amount of 200 000 tons for our approval.

*(Applause)*

**President.** — I call Mr Hamilton.

**Mr Hamilton.** — Mr President, I just want to echo what Lord St. Oswald has just said. It is easy for us in Europe to appear to be salving our consciences by

**Hamilton**

distributing mountains of various foodstuffs because we have not devised a policy which controls the development of such mountains, and in some respects we are not basing our policies on philanthropic motives but on other motives, to get rid of problems which we have not yet been able to resolve.

Of course, I think every humanitarian — and that we all are in this establishment, I hope — will welcome food aid for itself, but unless this particular problem is very carefully handled, it might conceivably do more harm than good. I think Lord St. Oswald has indicated, and Sir Geoffrey did too, the great dangers of distributing skimmed-milk powder if its not handled in a scientific manner. This powder is going principally to tropical countries and it is well known that the water supplies there are not as pure as would be acceptable in developed countries. If the skimmed-milk powder is mixed with impure water and fed to children, the end result might be worse than the original situation. I think that unless we have assurances from the Commission, and further examination by Parliament, the skimmed milk should not be sent to these countries. If the milk is used with impure water, or if the finished product is not consumed fairly quickly after mixing, there are going to be extremely great health hazards. I hope that the Commission and the Parliament, when they examine this problem further, will take these matters into account.

**President.** — I call Mr Laban.

**Mr Laban.** — (NL) I should like to make a brief comment with regard to the minor criticism levelled at Mr Cheysson by, among others, Mr Nyborg and Lord St. Oswald and which is also heard in the Committee on Agriculture. The criticism amounts to this: 'Why has Mr Cheysson not come forward with a proposal for the whole 200 000 tons?' I also protested at this criticism in the Committee on Agriculture, for the preparation of a programme like this demands a great deal of time. There were requests in 1975, and I therefore think it is a far-sighted policy on Mr Cheysson's part to begin first with the 55 000 tons, on which preparations were already in hand, so that we can at least take a decision today about them. I am sure that, once the preparations have been made, the rest of the programme will be put before Parliament very quickly. I therefore feel that it was the right thing to get moving with 55 000 tons that were already on the budget so that at least these 55 000 tons can be distributed as soon as possible. That was what I wanted to say.

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) Mr President, as is stated in the excellent report on the subject, the Commission received 34 requests for food

aid in the form of skimmed-milk powder, 29 coming from countries and 5 from international organizations, totalling nearly 200 000 tons. In other words, our proposals went a good deal farther than what the Council was prepared to enter in the budget since, as you know, it had provided for only 55 000 tons — in other words, the same figure as in 1974 and 1975.

Nevertheless, we insisted — and the support of Parliament was a very great help — with our request that this tonnage be increased and were successful, as has already been explained by Sir Geoffrey de Freitas, in obtaining that the total aid figure be raised to 200 000 tons, of which 150 000 are for distribution in 1976, thus representing an additional 95 000 tons for this year.

Mr Laban has very rightly explained the reasons why we felt it best to make detailed arrangements for the 55 000 tons programme without waiting for the decision on the 150 000 tons. Experience has taught us that the Council is not always very swift in deciding and we were afraid we might be delaying the distribution of the 55 000 tons if we waited for the overall decision.

What is more, experience has also taught us that the decisions the Council is expected to take are not always taken, and we did not want to raise the hopes of a certain number of countries that had made requests by approaching them as if we already had the 150 000 tons available when we could only bank for certain on 55 000 tons.

The programme for the additional 95 000 tons is now being prepared in the complicated conditions to which Mr Laban has referred — in other words, in liaison with the international institutions and the countries which have submitted requests. The programme will be tabled soon. We have already established its main lines, which I shall outline in a moment.

Mr President, the programme for the 55 000 tons — and roughly the same will apply to the 95 000 tons — breaks down into two more or less equal halves: 50 % direct aid and 50 % indirect aid via the international organizations, and first and foremost the World Food Programme. In this connection, I would point out that the Community is the WFP's only milk-powder supplier, which is a measure of the importance of our action.

The two other organizations that we felt we had to approach because of the work they do are UNICEF and the Red Cross, which specializes in disaster situations, when — precisely — milk powder is a particularly valuable foodstuff: 3 000 tons go to the Red Cross (2 000 to the International Committee and 1 000 to the League of Red Cross Societies) and 700 to the UNO Organization for Palestinian Refugees. The proportions will be similar in the additional programme.

**Cheysson**

As far as the other half of the aid programme, distributed direct to countries, is concerned, this is divided up on the principle: to each according to his need, the poorest obviously having overriding priority. Naturally enough, the Indian sub-continent comes first on the list with over 50 % of the aid in milk powder, 18 % going to the worst-off African countries and 8 % to the worst-off Latin American countries.

Lastly, there is a reserve, which explains why the figures do not total 100 %. The same will be true of the 95 000 additional tons.

A number of speakers — Lord St. Oswald and Mr Hamilton in particular — have referred to the difficulties of distributing and using milk powder, which have been given a lot of attention by the press. I do not think they should be exaggerated. Difficulties do arise if food containing no water is substituted for breast milk. Where children drink water in any case, the purity of that water is a problem in itself. It arises when the water is used to dilute milk powder, but it also arises when there is no milk powder to add to it. The fact remains that using milk made from milk powder instead of breast milk does indeed raise problems that will need to be dealt with. Similarly, failing to mix it in the right proportions can cause serious disease and the fact that, once mixed, it does not keep may present grave risk. But all these problems are relatively simple and all the health services are familiar with them. The real difficulty is that of informing the population either through the services distributing the milk powder or, more generally, by the basic education of mothers and children in hospitals, in schools and in medical centres using every available means. It is with regard to all these questions that we have not just been thinking but also acting by devising simplified instructions and packaging on which these instructions are shown, by distribution literature that is immediately understandable in primary schools, and so on. So far, I am pleased to note, the Commission has not had a single accident in the distribution of milk powder, but this does not mean none could happen. The precautions that have already been taken need to be considerably increased in the light of what has been reported recently and the comments of the Members here present.

That is the additional comment I wished to make, Mr President, at the same time recommending Parliament, on behalf of the Commission, to kindly approve the conclusions of its rapporteur, Sir Geoffrey de Freitas.

**President.** — Does anyone else wish to speak ?

I put the motion for a resolution to the vote.

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

<sup>1</sup> OJ C 100 of 3. 5. 1976.

### 11. Regulation on the Staff Regulations of Officials of the European Communities

**President.** — The next item is the supplementary report drawn up by Miss Flesch, on behalf of the Committee on Budgets, on the proposal from the Commission of the European Communities to the Council for a regulation amending Council Regulation No 259/68 laying down the Staff Regulations of Officials of the European Communities and the Conditions of Employment of Other Servants of the Communities (Doc. 37/76).

**Miss Flesch, rapporteur.** — (F) Mr President, you will remember that this question was on the agenda of the February part-session. I briefly presented the first report of the Committee on Budgets and we noted, in plenary session, that there were still differences of opinion between the Committee on Energy, Research and Technology and the Committee on Budgets, which was why Parliament referred this proposal back to committee. The two committees involved have striven to find common ground and it has been possible to find a solution to which the two committees could agree and which also gained the support of the Commission.

What was the problem? Both committees agreed on the need to allow for greater mobility in the case of research staff than that provided in the Staff Regulations. The two committees also agreed that the answer found should be specifically for research staff and should not constitute a precedent for other servants and officials employed by the Community institutions. Where their views differed was in the choice of the best way to arrive at this result. Finally, Mr President, we were able to reach an understanding and that agreement is reflected in the supplementary report now before you.

The Committee on Budgets proposes that the enacting terms of the Commission's proposal be adopted as it stands but that an addition be made to the first recital and that a second recital be added in order to make it clear that the conditions of employment adopted for research staff apply only to them and can in no case constitute a precedent for the European public service.

With regard to the motion for a resolution, Mr President, I do not think that it needs any further explanation or comment from me, except as regards paragraph 4, where a regrettable error has slipped into the wording. It is not, of course, Parliament's business to amend the Commission's proposal. I therefore suggest that the first words of this paragraph be reworded in the following way, more in line with our usual practice and the Community Rules of Procedure:

'4. Recommends that it be emphasized that the new conditions of employment...' etc.

(Applause)

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) I would like to thank Miss Flesch for her presentation of the report drafted on behalf of the Committee of Budgets, on the Commission's proposal to the Council amending Regulation No 259/68.

Miss Flesch has noted with satisfaction that the views of the two committees concerned — the Committee on Budgets and the Committee on Energy and Research — have now been reconciled. The Commission, of course, is also pleased that they are now in agreement.

Miss Flesch's report and paragraph 2 of the motion for a resolution clearly show the purpose of the Commission's proposal, namely to allow greater mobility of research staff and to abolish the discrimination in salary levels that exists between various categories of staff employed in different establishments.

It is vital — and I would stress this — that in the present situation just prior to the difficult stage of discussion on the Council's adoption of the plurianual research programme, to eliminate every possible reason for unrest among the staff which might interfere with the progress of work in the research sector. In addition, the new conditions of employment will give managements in the research centres the necessary administrative machinery for making staff changes to suit their changing programmes.

I am grateful to Miss Flesch for kindly amending the wording of paragraph 4 in the motion for a resolution regarding amendments to the preamble to our proposal, and I assure her that the Commission will act on her invitation and fully support her proposals. It must be quite clear that the Regulation applies solely to staff remunerated from investment research appropriations. It does not, therefore, affect the Staff Regulations for officials nor those for the European public service as a whole. What is more, the acquired rights of the staff currently in employment as officials will be expressly safeguarded.

Mr President, I would be grateful to Parliament if it would now kindly approve the resolution proposed by the rapporteur. It will be very useful to us in our further discussions with the Council.

**President.** — Are there any objections to the oral amendment proposed by the rapporteur to paragraph 4 of the motion for a resolution?

That is agreed.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

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

<sup>1</sup> C 100 of 3. 5. 1976.

## 12. Regulation on a tariff quota for certain wines

**President.** — The next item is the report drawn up by Mr Vetrone, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of the Community tariff quota for certain wines, falling within subheading ex. 22.05 of the Common Customs Tariff, originating in Cyprus (1976) (Doc. 34/76).

I call Mr De Koning.

**Mr De Koning, deputy rapporteur.** — (NL) Mr President, this report deals with the opening of a tariff quota for certain wines from Cyprus. The Commission proposes that this quota be fixed at 250 000 hl and that the Community customs tariff be reduced by 60 % for part of it and by 52 % for the rest. The Commission also proposes that the quota be divided into two parts, with 200 000 hl being split up among the Member States but going mostly to the United Kingdom and 50 000 hl constituting a Community reserve. The Commission's proposal therefore meets the wishes expressed by Parliament on earlier occasions.

In addition I would point out that the provisions regarding the common organization of the wine market apply to this wine in full, including the observance of a minimum price as applicable to comparable wines from third countries.

Before this proposal can enter into force there are a number of conditions to be met. There has to be an exchange of letters between the Community and Cyprus and technical amendments have to be made to the Regulation on the common organization of the wine market.

Although, in the view of the rapporteur, the size of the quota is surprisingly large, I feel that Parliament can adopt this proposal without hesitation.

**President.** — I call Mr Cheysson.

**Mr Cheysson, member of the Commission.** — (F) I would first like to congratulate the rapporteur on his clear report and on the concise resolution he has proposed, from which, incidentally, I shall take my cue since I, too, will be brief.

With regard to the substance of the problem, the rapporteur has just pointed out that the tariff quota will be opened by the Community once there has been an exchange of letters with Cyprus.

There remains the problem of the name for this type of wine. Cyprus is anxious that long-standing trade flows should be maintained and this wine has always been marketed in the new Member States as 'Cyprus sherry', whereas there are bilateral arrangements between the six original Member States and Spain

**Cheyssou**

whereby the name 'Sherry' is restricted solely to wines coming from the Xeres region.

This issue will soon be settled, I hope, thus enabling the exchange of letters to take place and a solution to be found to this whole problem.

**President.** — Does anyone else wish to speak?

I put the motion for a resolution to the vote

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

13. *Regulation on the customs procedure applicable to certain products of the Faeroe Isles*

**President.** — The next item is a vote without debate on the report drawn up by Mr Schmidt, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council for a regulation amending Council Regulation (EEC) No 2051/74 of 1 August 1974 on the customs procedure applicable for certain products originating in, and coming from, the Faeroe Isles (Doc. 36/76).

Does anyone wish to speak?

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

<sup>1</sup> OJ C 100 of 3. 5. 1976.

14. *Dates of the next part-session*

**President.** — There are no other items on the agenda.

I thank the representatives of the Council and the Commission for their contributions to our debates. The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 10 to 14 May 1976.

Are there any objections?

That is agreed.

15. *Adjournment of the session*

**President.** — I declare the session of the European Parliament adjourned.

16. *Approval of the minutes*

**President.** — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

The sitting is closed.

*(The sitting was closed at 11.05 a.m.)*

